

National Assembly Debates

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE SECOND SESSION (2002-2005) OF THE EIGHTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN

Part I

68TH SITTING

2.05 PM

Thursday 21 July 2005

MEMBERS OF THE NATIONAL ASSEMBLY (68)

Speaker (1)

The Hon. Hari N. Ramkarran, S. C., M. P. - *Speaker of the National Assembly*

Members of the Government - People's Progressive Party/Civic (34)

The Hon. Samuel A.A. Hinds, M.P.

- Prime Minister and Minister of Public Works and Communications (AOL)

The Hon. Reepu Daman Persaud, O.R., J.P., M.P.

- Minister of Parliamentary Affairs

The Hon. Clement J. Rohee, M.P.

- Minister of Foreign Trade and International Co-operation

The Hon. Harripersaud Nokta, M.P.

- Minister of Local Government and Regional Development

The Hon. Gail Teixeira, M.P.

- Minister of Culture, Youth and Sport

The Hon. Dr. Henry B. Jeffrey, M.P.

- Minister of Education

The Hon. Saisnarine Kowlessar, M.P.

- Minister of Finance (Absent)

The Hon. Shaik K.Z. Baksh, M.P.

- Minister of Housing and Water

The Hon. Rev. Dr. Ramnauth D.A. Bisnauth, M.P.

- Minister of Labour, Human Services and Social Security

The Hon. Clinton C. Collymore, M.P.

- Minister in the Ministry of Local Government and Regional Development

The Hon. Satyadeow Sawh, M.P.

- Minister of Fisheries, Other Crops and Livestock (Region No. 5 - Mahaica/Berbice)

*The Hon. S. Rudolph Insanally, O.R., C.C.H., M.P.

- Minister in the Office of the President with responsibility for Foreign Affairs (AOL)

*The Hon. Doodnauth Singh, S.C., M.P.

- Attorney General and Minister of Legal Affairs

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The Hon. Dr. Jennifer R.A. Westford, M.P.	- Minister of the Public Service
The Hon. C. Anthony Xavier, M.P.	- Minister of Transport and Hydraulics
The Hon. Bibi S. Shadick, M.P.	- Minister in the Ministry of Labour, Human Services and Social Security (Region No. 3 - Essequibo Islands/ West Demerara)
** The Hon. Manzoor Nadir, M.P.	- Minister of Tourism, Industry and Commerce (AOL)
The Hon. Carolyn Rodrigues, M.P.	- Minister of Amerindian Affairs
The Hon. Dr Leslie S. Ramsammy, M.P.	- Minister of Health
Mr S. Feroze Mohamed, M.P.	- Chief Whip
Mr Cyril C. Belgrave, C.C.H., J.P., M.P.	-(Region No. 4 - Demerara/Mahaica)
Mr. Donald R. Ramotar, M.P.	
Mr. J. Ronald Gajraj, M.P.	
Mr Husman Alli, M.P.	-(Region No. 7 - Cuyuni/Mazaruni) (AOL)
Mr. Komal Chand, C.C.H., J.P., M.P.	
Mrs Indranie Chandarpal, M.P.	
Mr Bernard C. DeSantos, S.C., M.P.	-(Region No. 4 - Demerara/Mahaica) (AOL)
Mrs Shirley V. Edwards, J.P. M.P.	
Mr Odinga N. Lumumba, M.P.	
Mr Heeralall Mohan, J.P., M.P.	-(Region No. 2 - Pomeroon/Supenaam)
Mr Ramesh C. Rajkumar, M.P.	-(Region No. 6 - East Berbice/Corentyne)
Dr Bheri S. Ramsaran, M.D., M.P.	
Mrs Philomena Sahoye-Shury, C.C.H, J.P, M.P.	- Parliamentary Secretary, Ministry of Housing and Water -(Region No. 1 - Barima/Waini)
Mrs Pauline R. Sukhai, M.P.	
Mr Zulfikar Mustapha, M.P.	
Mr Neendkumar, M.P.	-(Region No. 4 - Demerara/ Mahaica)
Mr Khemraj Ramjattan, M.P.	-(Region No. 6 - East Berbice/ Corentyne)

* Non-Elected Minister

** Elected Member from The United Force

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Members of the Opposition (30)

(i) People's National Congress/Reform (27)

Mr. Robert H. O. Corbin, M.P.	- <i>Leader of the Opposition (AOL)</i>
Mr. Winston S. Murray, C.C.H., M.P.	- <i>(AOL)</i>
Mrs Clarissa S. Riehl, M.P.	- <i>Deputy Speaker of the N.A</i>
Mr. E. Lance Carberry, M.P.	- <i>Chief Whip</i>
Mr. Ivor Allen, M.P.	- <i>(Region No.2-Pomeroon/Supenaam) (AOL)</i>
Mrs. Deborah J. Backer, M.P.	
Mr. Deryck M.A. Bernard, M.P.	
Mr. C. Stanley Ming, M.P.	- <i>(AOL)</i>
Mr. Vincent L. Alexander, M.P.	- <i>(Region No.4-Demerara/Mahaica)(Absent)</i>
Mr. Raphael G.C. Trotman, M. P.	- <i>(AOL)</i>
Mr. Basil Williams, M.P.	- <i>(AOL)</i>
Mrs. Volda A. Lawrence, M.P.	
Dr Dalglish Joseph, M.D.,M.P.	- <i>(AOL)</i>
Miss Amna Ally, M.P.	- <i>(Region No.5-Mahaica/Berbice) (AOL)</i>
Miss Sandra M. Adams, M.P.	- <i>(Region No.10-Upper Demerara Berbice)</i>
Mr. Jerome Khan, M.P.	- <i>(AOL)</i>
Dr George A. Norton, M.P.	
Miss Myrna E. N. Peterkin, M.P.	- <i>(Region No.4-Demerara/Mahaica) (AOL)</i>
Mr. James K. McAllister, M.P.	- <i>(Region No.3-Essequibo Islands West Demerara)</i>
Dr Carl Max Hanoman, M.P.	
Miss Lurlene A. Nestor, M. P.	- <i>(Region No.4-Demerara/Mahaica) (AOL)</i>
Mr Abdul Kadir, J.P., M.P.	- <i>(Region No.10-Upper Demerara/Berbice)</i>
Mr Ricky Khan, M.P.	- <i>(Region No.1-Barima/Waini)</i>
Mrs. Rajcoomarie Bancroft, M.P.	- <i>(Region No.8- Potaro/Siparuni)</i>
Mr Nasir Ally, J.P., M.P.	- <i>(Region No.6-East Berbice/Corentyne)</i>
Miss Judith David, M.P.	- <i>(Region No.7-Cuyuni/Mazaruni)</i>
Miss Genevieve Allen, M.P.	- <i>(Region No.4-Demerara/Mahaica)</i>

(ii) Guyana Action Party/Working People's Alliance Party (2)

Mrs Sheila V.A. Holder, M.P.	
Mrs Shirley J. Melville, M.P.	- <i>(Upper Takutu/Upper Essequibo)</i>

(iii) Rise, Organise and Rebuild Party (1)

Mr Ravindra Dev, M.P.

OFFICERS

Mr Sherlock Isaacs, *Clerk of the National Assembly*

Mrs Lilawtie Coonjah, *Deputy Clerk of the National Assembly*

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PRAYERS

The Clerk reads the Prayer.

PRESENTATION OF PAPERS AND REPORTS, ETC.:

By the Minister of Culture, Youth and Sport, on behalf of the Minister of Finance:

- (a) Treasury Memorandum pursuant to Resolution No.73/2005 dated 14 July, 2005 of the National Assembly adopting the Report of the Public Accounts Committee on the Public Accounts of Guyana for 1999.
- (b) Technical Co-operation Loan Agreement No. **1103/SF-GY** between the Government of Guyana and the Inter-American Development Bank signed on 3 September 2002 for US \$27,400,000 for the Unserved Areas Electrification Project.
- (c) Technical Co-operation Loan Agreement No. **1107/SF-GY** between the Government of Guyana and the Inter-American Development Bank signed on 25 July, 2002 for US \$30,000,000 for the Basic Education Access Management Support Project (Phase 1)
- (d) Loan Contract No. **1120/SF-GY** between the Government of Guyana and the Inter-American Development Bank signed on 19 May 2003 for US \$5,000,000 for the Basic Nutrition Project

- (e) **Technical Co-operation Loan Agreement No. 1487/SF-GY** between the Government of Guyana and the Inter-American Development Bank signed on 6 January, 2004 for US \$1,500,000, for the Line of Credit of the Project Preparation and Execution Facility (PPF) of the Georgetown Solid Waste Management Programme (GY-L1001).

- (f) **Loan Contract No. 1516/SF-GY** between the Government of Guyana and the Inter- American Development Bank signed on 24 March 2004 for US \$3,450,000 for the Social Statistics and Policy Analysis Programme.

- (g) **Technical Co-operation Loan Agreement No. 1541/SF-GY** between the Government of Guyana and the inter-American Development Bank signed on 28 May 2004 for US\$350,000 for the Line of Credit of the Project Preparation and Execution Facility (PPF) of the Health Sector Programme (GY-L1004).

- (h) **Technical Co-operation Loan Agreement No. 1544/SF-GY** between the Government of Guyana and the Inter-American Development Bank signed on 28 May 2004 for US \$1,150,000 for the Line of Credit of the Project Preparation and Execution Facility (PPF) of the Health Sector Programme (GY-L1005).

- (i) **Loan Contract No. 1550/SF-GY** between the Government of Guyana and the Inter-American Development Bank signed on 30 July 2004 for US \$15,000,000 for the Fiscal and Financial Management Programme (Policy-Based Component).

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- (j) Loan Contract No. **1551/SF-GY** between the Government of Guyana and the Inter-American Development Bank signed on 30 July 2004 for US \$13,000,000 for the Fiscal and Financial Management Programme (Investment Component).

- (k) Loan Contract No. **1558/SF-GY** between the Government of Guyana and the Inter-American Development Bank signed on 24 September 2004 for \$22,500,000 for the Agricultural Support Services Programme.

- (l) Development Credit agreement No. **3725-GY** between the Government of Guyana and the International Development Association dated 21 January 2003 for SDR 9,100,000 for the Poverty Reduction Support Project.

- (m) Development Credit Agreement No. **3726-GY** between the Government of Guyana and the International Development Association dated 21 January 2003 for SDR 3,600,000 for the Public Sector Technical Assistance Project.

- (n) Loan Agreement No. **15/SFR-GU** between the Caribbean Development Bank and the Government of Guyana signed 19 April 2002 for US \$112,500 for the Regional Tourism Emergency Programme.

- (o) Loan Agreement No. **16/SFR-GU** between the Caribbean Development Bank and the Government of Guyana signed on 11

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February 2004 for US \$683,000 for the Secondary Towns Development Programme.

- (p) Loan Agreement No. **16/SFR-OR-GUY** between the Caribbean Development Bank and the Government of Guyana signed on 6 June 2003 for US \$8,800,000 for the Caribbean Court of Justice (Regional).

- (q) Loan Agreement No. **2/SFR-OR-GUY** between the Caribbean Development Bank and the Government of Guyana signed 25 June 2003 for US \$19,102,000 for the Third Road Project.

- (r) Agreement No. **3/SFR-OR-GUY** between the Caribbean Development Bank and the Government of Guyana signed 7 October 2003 for US \$28,230,000 for the Skeldon Modernisation Project.

- (s) Loan Agreement No. **4/SFR-OR-GUY** between the Caribbean Development Bank and the Government of Guyana signed 30 March 2004 for US \$7,350,000 for the Reconstruction of Sea Defences (Second Loan).

QUESTIONS TO MINISTERS

1. ST. ANDREWS PRESBYTERIAN CHURCH

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By Mrs Sheila Holder:

Will the Minister say what steps the Guyana Police Force can put in place during the sittings of the National Assembly to ensure that the rights of the Pastor and parishioners of St. Andrews Presbyterian Church, situated opposite the Parliament Buildings at the corners of Avenue of the Republic and Brickdam, to allow for weddings, funerals and other church services to be conducted unhindered by the Police Force's security arrangements for the National Assembly?

Oral reply by the Minister of Home Affairs (Ag.):

Hon Gail Teixeira: Mr Speaker, in response to the Honourable Member of Parliament Mrs Holder, there are special arrangements put in place during the sittings of the National Assembly to allow for funerals, weddings and so forth at St. Andrews Kirk - next door. Actually on Monday, there was a funeral held there with no obstruction and trouble from the police.

The arrangement that is presently surrounding the Parliament is really aimed at providing security for Members of Parliament and it sees the restriction of traffic in the streets immediately around Parliament Buildings. The restriction applies to vehicular traffic only. However, it is the policy to have vehicles going to St Andrews Presbyterian Church, which is within the restricted area, to gain access - on the request by drivers or through the arrangement by the Pastor. Thank you.

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2. **'SILENT ZONE' AROUND THE HIGH COURTS, HOSPITALS, ETC.**

By *Mrs Sheila Holder*:

Will the Minister indicate what steps could be taken by the Guyana Police Force to bring into effect the prevailing 'Silent Zone' statute in and around the High Court, hospitals, etc?

Oral reply by the Minister of Home Affairs (Ag.):

Hon Gail Teixeira: The Silent Zones are problematical, in the sense that it is a problem of enforcement. With specific reference to the High Court, it has been noted that the movement of heavy-duty vehicles contribute significantly to the noise levels. It is proposed to restrict the movement of heavy-duty vehicles around the courts during the hours of their operation in order to reduce the noise levels. However, it should be noted that the close proximity of the minibus parks to the courts and the large number of persons in the area, makes it extremely difficult for the silent zone status to be maintained around the High Court - *difficult*, not *impossible*.

In relation to the hospitals, this is also a problem with enforcement, but it is proposed to have more signs and to have persons erected around the relevant hospitals.

The Speaker: The Honourable Member Mrs Holder

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Mrs Sheila VA Holder: This is a supplementary question, Mr Speaker.

I wonder if the Honourable Minister can say whether or not the Guyana Police Force is prepared to make some effort, and to go to some extent, to ensure that the statute is respected.

Oral Reply by the Minister of Home Affairs (Ag.):

Hon Gail Teixeira: Yes, of course, Mrs Holder

3. NOISE NUISANCE

By Mrs Sheila Holder:

Will the Minister say why the Guyana Police Force has not put a stop to the noise nuisance emanating from the illegal establishment of large music boxes on the pavements and roadways in the vicinity of Demico House on Croal Street that adversely affect service events at the St. Andrews Presbyterian Church?

Oral reply by the Minister of Home Affairs (Ag.):

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Hon Gail Teixeira: Police have been prosecuting persons who are found playing music in the city without the necessary permission. The police have also been refusing to give permission for the playing of music where it is felt that such activity will be a nuisance to persons living in the areas. Probably what would be helpful is if persons who are affected by the noise nuisance in the vicinity of Demico House on Croal Street, or who see these illegal activities, will make a report to the police at Brickdam so that we can respond to these problems.

I would like to just say that the police have said that they have put together a special team of ranks, headed by an officer that has been identified to respond to complaints of noise nuisance, so we can test that promise. Thank you.

The Speaker: Honourable Members, there is an outstanding question by Mrs Sheila Holder, which is meant for the Minister of Foreign Trade and International Co-operation.

4. ECONOMIC PARTNERSHIP AGREEMENT

Will the Minister say what is the status, with respect to negotiations between the European Union and the Guyana government on an Economic Partnership Agreement?

Oral reply by the Minister of Foreign Trade and International Co-operation:

Hon Clement J Rohee: Mr Speaker, the question that was posed had

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to do with the status of the negotiations between the European Union and the Government of Guyana on Economic Partnership Agreement (EPA)

First of all, I would like to say that there is no negotiation between the European Union and the Government of Guyana as such. There are negotiations between the European Union and the CARIFORUM group of countries. Guyana, by itself, is not engaged in bilateral negotiations with the European Union. We are enjoined with the other Member States of CARIFORUM, as distinct from CARICOM, meaning that in addition to the fourteen member States of CARICOM. We also have, as part of CARIFORUM, the Dominican Republic, Haiti and Cuba. However, because Cuba is not a party to the agreements with the European Union, Cuba is not a part of those negotiations, so it means that it is basically the CARICOM countries, the Dominican Republic and Haiti.

Mr Speaker, the negotiations were launched in September 2003 and these negotiations are being conducted in three phases.

Phase I was for us in CARIFORUM to identify the areas of concern, which would have been taken to the European Union so that we, from the very outset, would let them know what our areas of concern are. In other words, the comfort level from which we are prepared to enter these negotiations with the EU. We also have set certain principles for these negotiations to take place from our perspective and those principles were set down in the negotiations guidelines for the said negotiations.

We also felt it is important to include certain fundamental issues such as the question pertaining to market access, sanitary and phytosanitary measures and the question of development.

As far as we are concerned the main emphasis or the main pillar on which we place these negotiations have to do with the development dimension of the Economic Partnership Agreement, because we feel that from a trade perspective, there may not be much in it for us, but more for

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the European Union and until such time that that supply side constraints are addressed from our perspective, we will be at a disadvantage to take advantage of the trade agreement when it is put in place. So we are pursuing, very aggressively the development dimension of the Economic Partnership Agreement with the European Union.

Phase II of the negotiations was launched in October 2003 and in that stage of negotiations, we sought to establish the geographic areas in which we would engage in these negotiations with the European Union. That is where we came to configure ourselves as a group within CARIFORUM. There are about six or eight groupings in Africa, as such. There is one in the Pacific that is currently engaging in these negotiations. So we have to establish ourselves as the geographic configuration for the purpose of engaging with the EU in the negotiations. That was done and we have established the necessary technical teams to pursue these negotiations with the European Union counterparts.

Mr Speaker, in September coming, we will launch *Phase III* of the negotiations and this will be done in St Lucia. We are hoping and as we expect in this third phase of negotiations that we will be focusing on the options which countries have in terms of pursuing these negotiations to their finality with the European Union.

Mr Speaker, I must say that we believe that we are well-prepared for these negotiations. We have the regional negotiating machinery, which has been set up by CARICOM Heads of Government to represent us in these negotiations. All Member States of the community are part of the negotiations by virtue of the fact that each of them has a body in their respective countries, which feeds their views into the regional negotiating machinery, which takes a regional brief on each of the specific matters for discussions with the European Union in order to ensure that we are effectively represented.

Of course, we have to bear in mind that each and every Member State of the CARIFORUM has different peculiarities. Guyana is still putting a lot of emphasis on the question of market access for agricul-

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tural goods. In Barbados and Jamaica, it is a question of services and so forth, and therefore, bearing in mind these peculiarities, and the differences in the level of development as well, we have to make sure that our interests are well represented in these bodies. I must say that at the technical level, we have been participating in most of the meetings and at the ministerial level we have been doing so as well. Thank you, Mr Speaker.

The Speaker: Thank you Honourable Member

PUBLIC BUSINESS

MOTION

ITEM 1 - EUROPEAN UNION GUARANTEED PREFERENTIAL PRICES FOR SUGAR

WHEREAS for over thirty years the European Union has guaranteed preferential prices for sugar it imported from African, Caribbean and Pacific (ACP) countries, of which Guyana is a part;

AND WHEREAS the European Commission recently proposed steep cuts in the preferential price it pays for sugar imported from ACP countries;

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AND WHEREAS Guyana stands to lose approximately US \$40M annually in revenue for sugar exported to the European Union when the final price cut is made;

AND WHEREAS this amount would represent a loss of some 30% of sugar receipts annually;

AND WHEREAS this loss of income will severely further affect the financial viability of the sugar industry;

AND WHEREAS this loss of income will also have a significant negative impact on Guyana's economy;

AND WHEREAS Guyana needs to restructure and diversify its economy to compensate for the loss of income and to bring about significant economic growth;

AND WHEREAS the government needs to be more aggressive and dynamic in wooing private sector investment in the economy;

BE IT RESOLVED:

That this National Assembly calls on the European Union to accept the ACP countries' proposal to phase in the price cuts over the period of eight years commencing

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in 2008 and to cap the cuts at between 16-20 percent of the current prices;

BE IT FURTHER RESOLVED:

That this National Assembly urges the government to institute a comprehensive programme of diversification of the economy, both within the traditional sectors and into non-traditional sectors;

BE IT FURTHER RESOLVED:

That this National Assembly calls upon the government to genuinely embrace private sector investments - foreign and local and create an environment conducive to same.

The Speaker: The Honourable Member Mr McAllister will move the Motion as set out in the Order Paper and carries three resolved clauses. You may proceed now, Honourable Member.

Mr James K McAllister: Mr Speaker, I would like to ask for your protection, Sir, that you willingly give.

Mr Speaker, the Motion before this Honourable House is very straightforward and in fact it is also very important to the Guyanese people.

It is well-known that the European Union has recently announced proposed cuts in the preferential prices paid to ACP countries for sugar imported to the EU from the said ACP countries. These ACP countries had enjoyed these preferential prices under legal binding arrangements

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for over thirty years. It is understandable that these swift unilateral cuts by the EU in the prices for sugar will have a disastrous impact on the economy of ACP countries.

Mr Speaker, it is expected that a number of countries will find themselves in very, very serious difficulties. For instance it is expected that exports from countries such as Mauritius, Burkina Faso, Tanzania, Jamaica, Madagascar, Dominica, Democratic Republic of Congo and Ivory Coast will cease.

It is also expected that a second group of countries, including Cuba, Congo and Guyana will survive, while there is another group of more efficient countries or more competitive countries that will be able to continue. Even though they might be continuing, there might be reduced incentives for investment in sugar and therefore there might be other consequences as it relates to environmental degradation and suchlike.

For instance, in monetary terms, for us to understand the severe impact of the proposed EU sugar reform, we will see, for example Mauritius which stands to lose as much as €100 million. The CARICOM Region stands to lose as much as US \$90 million, and Guyana stands to lose as much as US\$40 million annually. We believe that this will have severe impact on the ACP countries as a whole, but more particularly, we are concerned about the impact it would have on the Guyanese economy, the Guyanese workers and the Guyanese people as a whole. It is for those reasons we are here today with this Motion, calling for a unified national response to this potential crises that is confronting the nation.

Mr Speaker, this nation has been informed of GUYSUCO's Strategic Reform Project, in which there is hope that GUYSUCO is putting down a new refinery at Skeldon would be able to bring the cost of production down to around twelve US cents per pound, whereby making it a bit more competitive. We know that time is needed for GUYSUCO to be able to effectively complete the programme, but the EU's proposal does not present time. We believe that the EU's pro-

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posal is going to undercut that effort and is going to bring with it disastrous consequences if it is allowed to be implemented.

For instance, it is quite possible that if these reforms are put in place and the sugar industry loses as much as US \$40 million annually, there can be difficulties in the industry. When one looks at the GUYSUCO's Strategic Plan, it is quite obvious that the Demerara Estates were not quite as competitive, they were not quite as productive and therefore they needed very special effort to ensure that they could have been brought to some level of competitiveness.

I am not quite sure where they stand right now as it relates to the cost of production, but we know that quite a few years ago, they had moved from somewhere around twenty-eight US cents per pound. I think that they had moved to somewhere in the vicinity of twenty US cents per pound. In this environment, at US twenty cents per pound, Demerara Estates are likely to find themselves in problems and when we look at the issue of the lands that are available in Demerara, we will understand that there are indeed difficulties associated here. I am particularly concerned because, as you know, I represent West Demerara in this Honourable House, therefore I am concerned over the fact that we have in that region, two sugar estates in Wales and Uitvlugt. From all the documents that one can read, it is clear that those are two estates that need special work in order to bring them up to the level of competitiveness. That special work was done over a period of time, assuming that cuts would have come at a pace that would have been acceptable, that would allow the reform to take hold, and the reform to take effect. But as we stand now, one must wonder if in fact, the reforms come into effect without the time being given for the necessary adjustments in Demerara - what are the possibilities here. Therefore, we need to ensure here that there is indeed a national effort, because a number of workers are at risk, a number of families are at risk, the Guyanese people are at risk and we have to unite at this level to ensure that we do what is necessary to prevent this kind of action.

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It is not only the workers directly employed with GUYSUCO who will be affected. For instance, we know that based on the LMC Report, cane farmers in West Demerara are not very competitive, because the yields are not all that hot. Therefore, if they are forced into a situation to accept reduced prices, they are likely to go out of business. As you know, the prices paid to the cane farmers are indeed tied to the prices that GUYSUCO itself obtains for sugar that it produces. If in fact this reform or these new prices come into effect, then obviously it is quite likely that the cane farmers in West Demerara and across the country will be faced with serious difficulties. Again, this is another group of Guyanese who will face serious economic hardships as a result of the EU's action.

Mr Speaker, it is for these reasons that we, as a people, must collectively stand to represent this issue. We must collectively attempt to do whatever is necessary to lobby the EU - lobby in every aspect in order to ensure that we can, in whatever way, roll back the EU's proposals to 2008, as proposed by the ACP.

There is a little misconception about the reasons for the EU's proposals and there is a school of thought that would want to suggest that the EU's proposal is totally in response to a WTO ruling, and therefore EU has no choice but to proceed in the direction in which it is proceeding, and therefore Caribbean countries are being unreasonable, ACP countries are being unreasonable because, having participated in WTO's process, having had a WTO's ruling, they are now going around to go directly to the EU to say please do not accept the ruling that has been given to you. But the fact of the matter is that the sugar panel ruling stated specifically that the EU should implement reforms in a way that protects preferential access for ACP and India, and calls on the EU to fully respect its international commitments, with respect to imports, including its commitments to the ACP. Therefore, these EU proposals cannot be seen as being directly connected to the WTO's ruling, and therefore there is room indeed for the EU to roll back the proposals; there is room for the EU to make adjustments, there is room for the EU to consider that there is a number of vulnerable economies that can be

affected.

It is from this standpoint that the People's National Congress/Reform is saying that we need to have a national response, because we are not going up against something that cannot be changed. We are not going up against something that is fixed in stone. There are possibilities for there to be adjustments once we can have the right level of effort going into the entire process.

Mr Speaker, we will agree that GUYSUCO will be severely affected. We will agree that a number of workers in GUYSUCO will be affected also. However, it will not only be GUYSUCO that will be affected, because GUYSUCO does not operate in isolation.

GUYSUCO is so important to the national economy that if GUYSUCO is affected in such a drastic manner, well then, it follows that there will be a negative impact on the entire national economy. I believe that GUYSUCO accounts for some twenty percent of GDP, and imagine that if you take US \$40 million out of the US \$130 million that it earns in foreign exchange, what is going to be the kind of impact on this Corporation and as a result on the national economy?

Mr Speaker, as you know, Guyana is currently involved in the Poverty Reduction Programme and this is because it is seen that we are in a difficult situation, and that we have a level of poverty that requires special attention. Recently, most Guyanese were very happy to learn of the debt write-off from the World Bank and the IDB. I think this amounts to US \$7 million, but for this we were happy, because there were possibilities that monies would have been available for other programmes; monies would have been available to do things that could bring benefits to the Guyanese people. But just weeks after learning about an additional \$7million being available for programmes, we are confronted with a situation where we are told that \$40 million will now be taken away. One must wonder what is going to be the impact on the entire Poverty Reduction Programme. What is going to be the impact on our efforts to improve the quality of life of the Guyanese people?

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The People's National Congress/Reform is very, very concerned about the situation. The People's National Congress/Reform would indeed like to have a situation where the Guyanese people should not be made to endure such a situation. The Guyanese people should not be made to be confronted with increased poverty as a result of the EU's proposals. Therefore, the People's National Congress/Reform, through me, in the Resolved Clause of this Motion states:

Be it Resolved:

That this National Assembly calls on the European Union to accept the ACP countries' proposals to phase in the price cuts over a period of eight years, commencing in 2008, and to cap the cuts at between 16-20 percent of the current prices.

And there is a further Resolved Clause that states:

That this National Assembly urges the Government to institute a comprehensive programme of diversification of the economy both within the traditional sectors and in the non-traditional sectors.

This is very, very important, because even as we lobby, even as we approach the EU, and we approach everyone who can bring some kind of influence to this process, collectively we still have to understand that reform is going to come. Even here, we are talking about reform in 2008. The ACP is also not saying no reform at all. The ACP is calling for time and they are saying in 2008, so we are still faced with a situation where, in the not too distant future, we are going to be confronted with price cuts. We will have to make the adjustments in the sugar industry and we will have to continue the programme that we have, in terms of trying to make the sugar industry more competitive to reduce the cost of production. Those things will have to happen. We will have to examine those programmes in greater details to increase on its efficiency and to ensure that we can achieve as much as possible.

Then we have to diversify. Within the sugar industry itself, some of

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the resources available there can be put into some other productive areas that could also bring in foreign exchange, but at the same time create jobs for workers. So there is the programme of diversification that we have to look at again to see in what way and to what extent we can go in that direction.

There is a number of things that we still have to do outside of sugar, because we cannot hope in the 21st century, to eradicate poverty - and if you note sir, I am saying *eradicate poverty*, I am not speaking to the *reduction of poverty*. We must aspire for the total eradication. Just a few days ago, hundreds of persons were camped there in Gleneagles, lobbying the G8 Leaders and they were not calling for the reduction of poverty, they were calling for the G8 leaders to make poverty history. We ourselves must adopt that approach, and we must be talking about the eradication of poverty and about making Guyana prosperous. We cannot do that with our traditional sectors. We cannot do that by merely becoming more efficient in sugar, by merely becoming more efficient in rice, by merely becoming more efficient in bauxite. We have to move out into new areas; we have to find new niche markets, we have to do a number of things. We have to look at countries like Singapore and Bermuda as examples in the way in which they were able to almost convert nothing into riches; because they demonstrated a determination to improve their lot. They demonstrated a determination to ensure that their people enjoy a higher quality of life. [*Interruption: 'They do not have the PNC.'*] If they had the PNC, they would have been better off. Therefore, this is the situation that we are confronted with. In a very, very serious way, we have to look towards a genuine embrace of the private sector. We have to look at a genuine effort to transform the economy; a genuine effort to open up, a genuine effort to move into new directions. These new directions might bring about changes that we are not quite sure about. We might feel that we might not be able to put our thumb on the situation to keep it under rocks, but in the final analysis, those changes are going to bring benefits for the Guyanese people and those benefits must be given the utmost priority.

So the People's National Congress/Reform would like to urge the

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House, to let us look towards a national response. Let us understand that the situation confronting us is serious and is not one for partisan political gains, because if the worse is to come to the worse and these cuts are to bite, I am quite sure that the members on the other side understand fully that the situation that will result can bring about a permanent change in the political landscape of this country.

I want you to take that onboard when we say to you that there is need for a genuine national response and it is on this basis that I wish to move this Motion in this Honourable House. Thank you. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mr Ramotar

Mr Donald R Ramotar: Mr Speaker, I rise to support the Motion and the amendments to the Motion that have been proposed.

After all, sugar is extremely important to our country and it has been very important for a very long time. The history of sugar in many ways is the history of our people. While only a few weeks ago, we debated here a motion on Dr Rodney. We spoke a lot about his book, about how Europe underdeveloped Africa. In a way, I believe that we can have another book about how the ACP developed Europe in many ways, because we know, historically, that in the beginning of the European development, a lot of the wealth came from our part of the world, Africa and other ACP countries. Among the commodities that were exported there to ensure their development, sugar was an important aspect, because sugar made a big contribution to their development. We in this country have been exporting sugar to Europe since 1658, when the first boats left from the Pomeroon for Holland, taking the first batch of sugar from our country to the European Continent.

It is therefore rather ironic and rather sad, that at this juncture in the history of the world, when the world has become even more inter-connected, when poverty in one part of the world affects other parts, as we are seeing happening every day with their development, because many

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social scientists agree that part of the new problem we face today of international terrorism or the narco trade in many cases are connected with the levels of poverty in ACP countries and the third world as a whole. Therefore, it is in the developed countries' own interests to try to see that the productive capacity of the world is more equitably distributed, so that we can have a better quality of life and reduce a lot of the global problems that we face in our times. No doubt, it was therefore a blow to see the European Union, at this particular juncture, taking the position about proposing to cut the price of sugar by some thirty-nine or forty percent that will affect us in such a drastic way.

Of course, I think we agree generally, with the position that we have to have a united approach to this issue and as we have heard just now, and even before, Guyana is an active part of the lobbying efforts of the ACP countries as we try to challenge that situation that exists. Mr Speaker, even though the situation looks grim, I do not think it is a time to be pessimistic. I believe that it is a time for us to look at our resources very carefully and try to harness them towards development. It is very clear from the fact that we have started the modernisation of the Skeldon factory that the Government has been focussing in that direction to think that this day would have come some time and to create a condition by which our industry can survive, even with such drastic cuts.

We are already moving in the direction of diversifying within sugar, because the complex that is going to be developed at Skeldon is not only going to produce raw sugar, but we see the possibility of developing refined sugar and we see the possibility of us taking over the Caribbean market, which is between 120,000 to 180,000 tonnes. We have been going in that direction.

We have already also noted that the factory itself will also be part of cogeneration. Cogeneration is very important at this point in time, because it will add another revenue stream to the Corporation and it will provide reliable electricity to the grid in order to have other economic development. Mr Speaker, with the price of oil and at the level that it is, it is very clear that consideration has to be given towards looking and

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accelerating the development of fuel alcohol for us to cushion some of the impacts that exist with the oil prices.

Moreover, from looking at things as they are, there might be a possibility of oil prices coming down, but it does not seem as if it will ever come back down to the level that it was a few years ago. Therefore, it is important that we look at alternative energy resources and the cane industry offers us a glorious possibility in looking into these things, and for us to move forward in that direction.

Mr Speaker, the Demerara Estates were mentioned here just now and it was mentioned by other people before. I suppose some were speaking from other agendas in trying to create hysteria and fear that the Demerara Estates will be closed. But what had happened to the Demerara Estates in the past is that there was a lack of investment in the estates. Although there might be need for some work to be done in the factories in the Demerara Estates, the cost of the work on the factory is not so great. The problem in the Demerara estates lies more in agriculture and in the fields. That is largely so, because in the past, there was a total neglect of drainage and irrigation and a lot of the work was neglected within the Demerara Estates. That has turned around now and the production in the Demerara Estates is looking progressively better. In 2004, if you look at Enmore, it was comparable with any of the Berbice Estates, as far as the production in the fields was concerned. This shows very clearly that with hard work, with proper drainage and irrigation, with proper husbandry and things like that within agriculture, we can manage to make the Demerara Estates as competitive as the Berbice Estates.

If you look at the historical figures in the sugar industry in Guyana, if you go back to the 1950s and 1960s, you will see that the Demerara Estates were as competitive as the Berbice Estates. Therefore, what went wrong there was man-made and it can be corrected by man and we will correct that in the near future. *[Applause] [Interruption: 'Vision! Vision!']*

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Mr Speaker, we hear a lot of talk about vision. Even my friend was whispering across the table to me just now vision, vision. Sir, I think GUYSUCO has been showing an enormous amount of vision in dealing with this whole situation, from the very inception. In recent times, they have been working and accelerating the development.

Many people argue about the uncompetitive nature of the sugar industry, based on world prices, but over the last decade GUYSUCO sold only two shipments of sugar at world market prices. One was in the 2002, when there was a bumper crop and the problem was storage. They had to sell the sugar, because they did not have enough space to store it. Therefore, all other sugar that GUYSUCO sells were not sold at world market prices. Moreover, over the last eight years or so, GUYSUCO has been able to develop the Caribbean market enormously. From selling almost zero sugar to the Caribbean, GUYSUCO is now selling more than 100,000 tonnes of sugar within the region - bulk sugar, bagged and packaged sugar, which all offer a bigger price. Also the investigation that is going on right now into the North American Market is not only to sell the raw sugar there, but to also sell packaged sugar, which brings a much greater price to the Corporation.

We envisage that the Corporation has a capacity of some 450,000 to 500,000 tonnes. We also believe that we can develop to reach that capacity in an efficient way that will enable us to bring down the cost of production and make the sugar industry competitive and viable. As I said, the industry went through challenges before, but we see that we can sell all the sugar that we produce at economic prices within the society. For instance, even if we do not succeed to hold back the hands of Europe, for them to impose this draconian cut on the prices, we will still have the possibility of exporting about 170,000 tonnes of sugar annually to that market. We have not lost the market for the volume of sugar. What is at stake is the price at this point in time. We believe that we can work towards reducing the cost of production to take advantage.

One of the things that a lot of the ACP countries are arguing about is the increased access to these markets - to have greater access to

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these markets. Without trying to belittle the challenge that the industry is facing, without trying to minimise the seriousness of the challenge that is ahead of us, I am confident that we can move ahead. Right now, GUYSUCO is moving towards changing some of the layout in the fields - to make the fields friendlier to other technology, to mechanical technology, to help to harvest. At the moment, in many of the estates, they have removed the cut-and-load, because a lot of the loading is now done mechanically and we are looking forward to apply more technology into the fields to make the area much more competitive.

Therefore, as I said, with all the challenges that we face and the problems that are ahead of us, I still see a bright future for our sugar industry. If we all work hard together, if management and workers in the industry grasp the importance of what is taking place and apply themselves to the industry, with the support of the whole nation, I have every confidence that our sugar industry will not only survive, but will flourish in the future as well. I thank you for your attention. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mr Ravindra Dev

Mr Ravindra Dev: Mr Speaker, I rise to support this Motion before this Honourable House.

The European Union has unilaterally made a decision to cut the negotiated price of our sugar by a percentage amounting to, at its end - thirty-nine percent. As other speakers before me have clearly articulated, with a product that plays such a great percentage of our GDP, such a cut can only be described as potentially disastrous.

The Honourable Member Mr Ramotar, who spoke before me, I think he was very optimistic and I suspect he may be speaking more as a director of GUYSUCO than as possibly in his other role as a Member of this Parliament.

Mr Speaker, as Members of Parliament, we have to look at this

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whole situation nationally. I believe that the whole thrust of this Motion is to demonstrate to the European Union that we, as a people, are united in standing before the EU to let them know the real impact that their unilateral slicing of the prices would have on us and as to their responsibilities, not only in a moral sense, but in a sense of their adherence to international laws and the law of contracts.

However, if history is any guide to the behaviour of Europe, I do believe that we have to be, not necessarily pessimistic, but we have to be realistic and in that realism, do what is best for our interest. Europe is and Europe has always been acting in its own interest.

As the Honourable Member Mr Ramotar told us, sugar is almost the very justification for the European presence in Guyana, but if we look at the justification as to what was done with sugar, it will give us a clue as to what is with us.

When it suited Britain's interest, because Britain was the European power that governed us since 1803, to move away from the Mercantile System of Trade, where they sold only to us, and we can only sell to them, they then touted this notion of free trade that will solve the problem of the world. They needed a moral argument that free trade will lift all standards of living, but we know that it was a hollow argument. They simply were doing what was best for them.

So when they decided to move off from free trade, they tied it to the abolition of slavery -that they were doing this moral act; but we have to see what actually played out in the abolition of slavery. At the abolition of slavery, those slaves who have been exploited for hundreds of years - their labour had built sugar and by extension built England, those slaves received nothing. The planters who were to a man European, they received compensation and so by and large, that compensation was invested in England, because we know how many plantations fell, not only in Guyana, but across the Caribbean. So their compensation for this moral act did not benefit us, it benefited them.

So later they went on to free trade, and we had an immigrant population that had to work at a lesser price than slavery had caused for the extraction of profits for the benefit of the Metropole. So when England was ready to abandon free trade, again for protected markets at the turn 20th century, again they gave a moral argument; but it did not hold, and it does not hold again. So after World War I, when we again began to have contracts with England - fixed prices - it was for their benefit.

Mr Speaker, I want to rush ahead, in a sense, to the precursor to the agreement that is invoked today. The European protocol was preceded by the Commonwealth Sugar Agreement, where England after World War II made a fixed price for our sugar and they claimed that it was at a higher price, and a certain portion was to go to workers in their factories and for sugar civilisation. However, the bottom line was that the Commonwealth Sugar Agreement benefited England. After the war, their Sterling was devalued and they did not have any resources, so they could give us paper money and have a product that we would labour for. It benefited the Metropole. So when that Commonwealth Sugar Agreement was accepted in the EU, when Britain acceded to the EU in 1973 and our protocol was signed in 1974, the whole point was brought out, very vividly, that it was signed because of Europe's interest in itself. Sugar at that time had jumped five times the world market prices and the negotiated price was less than that price. So it was seen as a deal that Europe was gaining, but within another framework, Europe was gaining by its definition, a much greater source, because that was the time when you were talking about commodities and governments securing commodities for their countries - It could be bauxite, lumber, iron - whatever it was, governments entered into these kind of arrangements. So there were blocs of countries, Europe protected its sugar interest by securing sugar at a fixed price. Under cover of that sugar agreement, again using it as a moral argument, then expanded its own production by 5,000,000 tonnes, of which it exported so much and this is what it is being chastised for. It is not being chastised for what it imports from ACP. It is being chastised for the amount that it buttresses production and it went down into the world market. That is the bottom line. I want to bring here the lesson for us and this is what we have been making in other fora that

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Europe will do what it wants for its own interest. The basis of this analysis was laid out by V I Lenin in 1905 - Imperialism. I do not have to go further than that. [*Interruption: 'What about Hobson?'*] Well, Lenin borrowed from Hobson, so that is another school. The point is, those interests have not changed. So what do we do?

First and foremost, I agree that we have to be forthright in our condemnation of the European move and to expose it for what it is - a very callous move to use the countries of the third world for its purposes. Europe wants to position itself so that it can face America to talk about America's removal of tariffs and what have you, to say that it has kept up his own house; but in what manner? Again it has raised a moral argument to put us on the defensive, that it will through it's everything, but arms initiative, we must then step back to allow these poorer countries to have access to the European market. The argument does not hold, Mr Speaker. The bottom line is that Europe is abrogating a contract that it signed with the ACP countries, that in good faith it agreed to a price that was less than the world price at that time.

But we come back, okay, we will condemn Europe and we should do so, and we should fight, but I would stress that we also have to look very cold and very hard at our situation, and do what is best for Guyana.

For example, I think it is rather ironic that today we are also discussing the Geographic Indication Bill. Now geographic indicator is a device that Europe has foisted against America to say that if it is wine from Burgundy or it is Chablis or its Champagne - If it comes from a particular area of France, then the Americans cannot call their California Burgundy or Champagne. They have to call it sparkling wine or something. So they made the argument that if a product is so identified with the geographical region where it is produced, then that ought to be given special status, tantamount to a patent and therefore you can label that product as such and then sell it openly at a premium, because it is identified with the region like - Chablis, like Burgundy or like Champagne. Mr Speaker, the bottom line is that there was pressure on Europe and they have had to agree to a widening of this notion of geographic indica-

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tor. They have fought it and they want others to come on board. They went to state that part of their programme was to roll back other people. But other countries like Thailand, with its version of Basmati Rice, other countries have taken products that are identified with their country and have sought to put it as a category, as a product where it can get this definition and it can command the price.

Mr Speaker, this then gives us an opportunity for defining Demerara Sugar as a geographically indicator product, where we could command a premium. We know that Mauritius and even South Africa jumped the gun through some other agreements, and they are selling sugar that are coloured to look like Demerara Sugar; but the geographical indicator programme (so to speak) gives us an *entrée*. I would like to pose the question as to what did we do about it? Because I understand from the last information that I got about the WTO is that they had a July 2005 closing date as to when other countries could seek to add to the WTO products. Did we add? I hope we did, because the last I saw, Minister Rohee had put forward a document and within that document it had ... [*Interruption: 'Did you read the document?'*] Yes, I did, I wonder if you ever read that document. If you did, you will understand the meaning of the words *geographical indicator*. [*Laughter*] I understand it was left with the regional negotiating machinery and Minister Rohee spoke very glowingly about the capacity of this negotiating machinery, so I would be looking for some other person from the other side to say, for instance, that that regional negotiating machinery did work, and they did put Demerara Sugar as one of the products that should be defined. Therefore, I would see that we were working to protect our interests, because then we knew that Demerara Sugar is high-cost producers, but then we would have a reason to sell it as a specialty product.

Mr Speaker, so I say that we have to look very hard at what we are doing because, like Mr Ramotar, I am from the Demerara area, but I am not as sanguine as he is, about the Demerara Plantations. Yes, it is true that in the 1950s, Demerara produced up to 3.5 tonnes per acre, higher than Berbice probably does right now. But if you go back on that... those are the days that I know personally as a boy there, the

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reason why Demerara was able to do was, because Demerara had certain drawbacks... the acidity, the pagasse soil in Demerara is much greater than in Berbice. The amount of rainfall - in Uitvlugt we have an average of 152 days that we can cut and load versus 182 for Berbice. In terms of Demerara, the soils themselves are very high in certain substances like iron. For example, in Uitvlugt, the front lands had to be pulled back, because of the iron content. Because of these peculiarities, the Demerara Plantations took a higher amount of limestone, fertilisers and most importantly, it took a higher amount of labour. For example, there were more people to fork the ground between the crops, because the soil of Demerara needs greater aeration for it. But we have already signed on to the World Bank, that there will be an attrition rate in the sugar industry at the rate of three percent per annum to which we were daring. Every year the Government had to report to the World Bank what was the latest cut - three percent per annum is the agreement. Every year we are reducing, so in 1992, when the PPP/C came into office there were about 28,000 sugar workers, today you are down to less than 18,000; 10,000 workers have already been cut. So the kind of attention that you will need for the agricultural improvement scheme for the Demerara Plantations, for the inputs to give the yield, it will not be cost-effective.

However, I am to be guided and we will see. History is the judge of all of these predictions, but again, we have to look very, very cold at what is there. So we come back to what we feel ought to be done. It does not cost us anything to have a contingency plan - a what if - what if we cannot bring the cost of certain plantations down to what the market will bear.

Mr Ramotar spoke about CARICOM taking up 100,000 tonnes per year. That is true, but at what price - at fifteen cents per pound; at US \$300 per tonne? How does that cut with the Demerara price of eighteen cents at the very best? It means, if you are shipping Demerara Sugar and we have signed on with the World Bank already. We have already agreed that we cannot have crossed subsidisation of plantations, so we cannot mix all of these in one. So we do sell at fifteen cents to CARICOM? What do we do with the Demerara Plantations at eight-

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een cents? So again I believe that we have to come up with a plan and just as we are taking a national stand against the EU, I am proposing that we take a national stand as to what is ahead for sugar and we all get to goal.

Mr Speaker, I would also like to talk about the Skeldon expansion. I think, key to the Skeldon expansion, is the component of co-generation. and I do not say this in a snide manner. We should note that this cogeneration option was only exercised six years into the plan after pressure from groups; but what cogeneration does for us is not only to give us cheap and reliable power to sell to the National Grid. I am proposing, as a suggestion, that if we look ahead as to the movement of Guyana away from primary products into agro-processing, to move to the next step - from the production of sugar into agro-processing - all these will need is safe, reliable power. For instance, this to me is why the Berbice expansion needs to be placed within the context of a wider diversification, not only within sugar, but outside of sugar. At this time, we should look at Berbice, where our coast stretches scores of miles into the land, unlike where we are in Demerara - two or three miles in and we exhaust our loam soil. That gives us an opportunity to really go into agro-processing, using the cogeneration capabilities of the Skeldon expansion as the basis for moving ahead.

Mr Speaker, it is an example of what we feel ought to be a plan, because if we started in sugar in 1618 or around then, and here we are almost 400 years later, still debating sugar, it means that something has gone wrong. There was an interesting book that was put out where the author shows that the weight of a country's exports, over the last 400 years, determines its world strength, meaning that those countries that are still producing ore - primary products, heavy things, have remained right where they are and stagnant. Those countries that can produce ships, that can produce high tech-items, that are not so heavy - so he made an analogy, that *the lighter they are, the most expensive they are*. The point is that we have to move away from primary products.

I believe, and I have said it, and I want to place it on record that the

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abolition of slavery gave our country an opportunity to examine what the Marxists would call the relations of productions. The social relations that come out of the production process, we miss that because of the way the planters took it. Money was given to the planters and they made their own use of it.

Today, there is an opportunity again, because we have heard about these economic partnership agreements. We believe that Europe has already signalled that it will work to develop certain capacities, but we cannot let Europe again define what those capacities are. We should now come up with a plan, because we are now supposedly independent. We should be able to come up with what will take Guyana forward, not what will help Europe. So we believe that we have to look at what is in front of us. Come up with a plan and in the near-term, use whatever leverage we can exert on Europe to be able to help fund those plans.

Mr Speaker, I agree that we have to condemn Europe, and we have to spend a certain amount of time lobbying for the European price to go down but, as I said, Europe will do what it will for its own interests. To say that we have allies in Europe, and that we will have to lobby those allies, and also that we should have some PRs for those allies, I do not believe it is the best use of our money. Those countries in Europe, like Finland or France which opposed the price cuts, they will do it regardless for their own interests. They did not need us to tell them to oppose, they will oppose. What we should focus on; what we should spend our scarce resources on is to come up with a national plan for alternative use of our land resources; for alternative use of our human resources, for the alternative of the resources use that will come out of sugar to lead us to a path of sustained growth. We note that, when the price that was given to us from Europe was high, compared to world prices, the PNC government executed a levy and that levy was put into the national treasury. I am not sure where that eventually went, but we know that, if it had been spent as the original Commonwealth Agreement had said - on factory rehabilitation, on the workers profit-sharing Act, then you would have had our country moving, at least the people in the sugar industry and the sugar industry being on a firmer of foothold.

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We have to come to point where we have again been given choices. So I stress that we cannot look just for short-term gains like taking the levy or taking this money that Europe would be giving us and again putting it to activities where you do not have a direct sustainable development. We have to look at Guyana and it is for this reason that I am very pleased to be associated with this Motion that we as a combined Parliament of all the representatives of Guyana, joined in demanding that Europe act in a much more responsible manner, based on its own words, based on its own pronouncements and I hope that this Motion will be passed unanimously. I thank you. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mr Zulfikar Mustapha

Mr Zulfikar Mustapha: Mr Speaker, I rise to speak on the Motion tabled by the Honourable Member Mr James McAllister, dealing with the very important issue of the proposed negotiated price being paid by the European Union to the ACP countries under the Sugar Protocol.

Mr Speaker, as I do so sir, allow me to compliment the Honourable Member and by extension, his party's concern for the eventual removal of the preferential price of sugar. At the same time, after listening to the Honourable Member Mr Ravindra Dev and reading the Motion, I am very disappointed about the content of the Honourable Member Mr Ravindra Dev's speech on the Motion. Sir, both the Motion and the content of the Honourable Member's speech, seem to say that the Government is not doing anything to fight the proposed cut in the price for sugar.

Mr Speaker, our Government is one with a vision. Our Government does not operate by guess, and so we started a long time ago to institute measures, which would eventually see the Guyana sugar industry being able to respond to the move of removing the preferential tariffs on its sugar.

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With your kind permission, I want to mention some of these initiatives:

- GUYSUCO has been undergoing a phased reform over many years now.
- Efforts to increase the capacity of various factories have been ongoing.
- Much money has been spent on modernising our factories to reduce downtime and increase production.
- Improved planting and managing of our fields have also contributed immensely to an improvement of the TCTF - tonnes cane to tonnes sugar.

This has been evident since 1993 and the production figures are there to tell the stories. You will remember in 1989, as a sugar-producing country and this point should be captured after we heard about 400 years just now - that we are producing sugar and now we are looking at the setbacks we are facing. In 1989, as a sugar producing country, we were importing sugar to satisfy our domestic consumption. We were producing only 129,000 tonnes at that time. Sir, after 1993, we saw the sugar production increase beyond the 300,000 tonnes mark. As a consequence of that, today our sugar workers are enjoying tremendous benefits which they never did before 1993.

It is true that if the proposals of the EU are to be implemented in the present form, Guyana will suffer losses of revenue from sugar, which can obviously affect the financial viability of the industry, but I am hearkening with the call of this Motion, insofar as it relates to the National Assembly, to call on the European Union to accept the pleas of the African, Caribbean and Pacific countries, to phase the price-cut over a period of eight years, commencing 2008 and to cap the cut between sixteen to twenty percent of the current price .

I did earlier express commendation to the Honourable Member,

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who proposed the Motion, but this Government has been most visionary and I dare say dynamic in its efforts to galvanise international support in the fight by the ACP countries. While many sugar-producing countries have been scaling down on their sugar production, Guyana has been introducing, in a very articulate manner, measures which could see our industry surviving the effects of the present EU's proposal

I earlier spoke of the reformation which has been ongoing in our sugar industry. The Motion, in its present form, calls for the restructuring and diversification to compensate for the loss of income as a result of the EU's proposal. Mr Speaker, diversification was tried before and failed to significantly impact on the sugar industry. While the idea of diversification might have been a sound one, the manner in which it was applied created a severe strain on the industry and had to be abandoned. Sir, I must remind this Honourable House that the idea of diversification was introduced during the tenure of the previous regime. Do you remember the cheese and butter factory at Versailles? Do not let us forget how the rearing of cattle was done at every estate; even fish culture was tried - all with disastrous results.

Mr Speaker, I did say that our Government is one with a vision and does not operate by guess, while strenuous efforts continue to throughout the industry to manage, in order to eliminate areas of waste and to increase yields to boost production, despite the odds, we have ventured into the expansion and modernisation of the Skeldon Estate. The Motion speaks of diversification and that factory was designed to capture this idea, but we will not be cultivating fish and rearing cattle.

This project caters for the use of bagasse to produce electricity, which will be fed into the national grid, thereby earning significant revenue for the industry.

Mr Speaker, the Motion in its final paragraph, calls upon this Government to embrace private sector investment - foreign and local and create an environment conducive to same. Sir, I crave your indulgence to dwell a bit on this call.

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On page 3 of the *Stabroek News* dated Tuesday, 19 July 2005, there is an article captioned *Guyana moves into Wood Processing*. The Managing Director of this Company, a very prominent person in the business community, whose name featured prominently on the PNC's list of candidates at the last elections, said in the article that the company would be expanding, whereby the company will be setting up a twelve-acre facility at Land of Canaan, East Bank Demerara, to cater for sawmilling and wood-processing at a cost of US \$15 million. Mr Speaker, isn't this an expression of confidence of what is taking place in Guyana?

Mr Speaker, I have to put out a call to all Guyanese, especially the Members on the opposite side of this House, to assist in the creation of an improved environment for local and foreign investments. Creating an environment conducive to investment is not the sole responsibility of a Government. Any environment which the Government builds, while others are destroying is frustrating and will not attract any investment. I take this opportunity to call on every Guyanese, regardless of where we stand on the political divide to enable a friendly investment climate, which can only be created if we all make our positive contributions. Guyana is seeing investments both at local and international levels. At the local level, we have seen investments from DDL, Banks DIH, GUYSUCO and other companies. At the international level we have seen investments from CGX, Universal, OMAI, RUSAL in Berbice and other companies that are coming now.

Mr Speaker, our Government has been carrying the fight, both at home and abroad, on behalf of the ACP group. I cannot think of another country that has been as vocal and forthright as ours in this direction. Our President has carried the struggle to the British Government. Recently, we have hosted the EU's Commissioner, Mr Peter Mendelssohn, and our representative, the Honourable Minister of Foreign Trade and International Co-operation, Mr Clement Rohee, along with the CARICOM sugar-producing countries, are lobbying intensely against the present EU proposals.

Mr Speaker, the Government's position, the Sugar Industry's posi-

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tion, CARICOM's position and the ACP's position are all aligned. Permit me to add that it now seems that my fellow members on the opposite side are also aligned - never mind the flaws contained in their Motion before this House. We are fighting together and we are saying that we recognise that there will be changes in the sugar regime, but the proposed cuts are too rapid. We are arguing for the cuts to start in 2008 over an eight year period and they should be less steep. Sugar is the backbone of our country's economy. A large portion of our population depends on sugar for their livelihood - both directly and indirectly. Our Government is one for all Guyanese and therefore it behoves every right-thinking Guyanese to join in complimenting the efforts of this Government as we struggle for a revision of the EU's proposal. Perhaps many persons do not understand the gravity of the present proposal, but it is one of dire consequences for the African, Caribbean and Pacific countries.

In this circumstance, I would urge the Honourable Member who proposed the Motion before this Honourable House to reconsider the wording of this Motion, which seeks to lay the blame and restructure same, so that a similar call to the European Commission would be in unison. Thank you very much. *[Applause]*

The Speaker: Thank you Honourable Member

Honourable Member Mrs Clarissa Riehl

Mrs Clarissa S Riehl: Mr Speaker, I think that this is truly an occasion, when Guyanese of all persuasions should support the Government of the day in this fight.

Notwithstanding all of these reservations we have with the same Government of the day on issues of good governance, real economic progress and attracting investments in this country; notwithstanding our lack of investments, we on this side of the House brought the Motion to demonstrate our commitment to Guyana and in recognition of the hardships that sugar workers would suffer, and indeed all the impact that all

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of Guyana would feel if these reforms are allowed to go through in the manner proposed.

Guyana stands to lose \$40 million a year if these cuts go through with effect from next year, and that would be disastrous to our economy. Sir, before I move further and since my colleague on the other side hit us with some body blows, let me say to this Honourable House that there is a letter written by Minister Rohee in the Press, dated 30 June 2005 entitled *The fight for fair sugar deal is not over*. I wish to refer to it and it is a very un-Rohee-like letter, quoting from the scriptures - quoting from Corinthians 4:8:

We are troubled on every side, yet not distressed. We are perplexed but yet not in despair. We are cast down but not destroyed.

Thank you Minister Rohee, but that is not the real point I would like to make about this letter. In the penultimate paragraph it says.

In the ensuing period the political opposition should desist from using sugar as a political football to score political points for partisan political objectives.

I do not know that we, on this side of the House, wear that cap - using the sugar industry for partisan political objectives. The jury on that is still out, but suffice it to say, we are at *ad idem* with the Government on this Motion. We are the ones who saw it fit to bring the Motion. It is true that the letter was written on 30 June, 2005, on the same date that our Motion was published and on the same date incidentally the Honourable Minister read his statement in this Parliament. So we are equal on the matter and in this fight. We are *ad idem* on this issue with you. Sugar has been the lifeblood of this country for centuries and I think the Honourable Member Mr Ravindra Dev has just given us the history of it. It is the *sine qua non* for all of us being here, as all of our forefathers toiled on sugar plantations at one period or the other. Putting emotions aside Sir, sugar has taken centre-stage for too long in our economy and

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our failure to address the issue of diversification of the economy is the major reason I submit that we are here today in this near-panic situation.

Prime Minister Manning of Trinidad and Tobago, at the recent Heads of Government Conference in St Lucia, reminded his colleagues of this matter and I wish to quote from the *Stabroek News* 4 July and it is the front page editorial, where it is said, in the middle part of that editorial.

In his presentation Prime Minister Manning reminded the gathering that he had warned in 1993, of the necessity of diversifying the region's economy in the face of the impending demise of bananas as a consequence of the withdrawal of preferential treatment. He said that regional leaders took careful note, at the time of need to readjust. He went on to say that it was not hard to predict that sugar would follow and he said the region now knew that by 2008, things would be different.

This is from Prime Minister Manning just recently in St Lucia. Mr Speaker, I noted that the ACP ministerial spokesman on sugar, Dr Arvin Boolell, who is incidentally the Minister of Agro-Industry and Fisheries of the Republic of the Mauritius, at the hearing at the European Parliament just recently, on the reform of the Common Sugar Market Organization for Sugar posited an argument that the sugar protocol has a special legal status. The sugar protocol is embodied in the ACP/EU Partnership Agreement of June 2000, referred to as the COTONOU Agreement and I wish to quote from Dr Boolell (I hope that I am pronouncing the name correctly) representation before the European Parliament. Dr Boolell said that the sugar protocol is implemented within the EC Common Market Organization for Sugar. That is why the reform is a matter of serious concern for us. He submitted at that the protocol itself has a special legal status of its own as stipulated in its Article 1 and that Article 36 (4) of COTONOU Agreement specifically provides for the parties to safeguard the benefits derived from the protocol. He stressed that the protocol is compatible with the World Trade Organization provisions and noted the suggestion made by WTO panel on the sugar dispute, that

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the EU should fully respect its international commitments with respect to imports, including its commitment to the developing countries. Moreover, he submitted that the EU had in its submission to the WTO appellate body; it recognized that sugar protocol provides for unique mechanisms for trade-related development assistance. He said that the protocol represents both a political and a legal commitment.

I have with me Sir, the WTO COTONOU Agreement and I have in fact perused those very same articles that Dr Boolell spoke of and I wish to share with this House specifically Article 1 which states:

The European Community and its member States, of the one part, and the ACP States of the other part, hereafter referred to as the parties, hereby conclude this agreement in order to promote and expedite economic, cultural and social development of the ACP States, with a view to contributing to peace, security and promoting a stable and democratic political environment.

As regards to specific legal status, Article 36 (4) that is the modalities of the COTONOU Agreement states:

In this context the parties reaffirm importance of the commodity protocols attached to Annex 5 of this Agreement. They agreed on the need to review them in the context of the new trading arrangements, in particular as regards their compatibility with WTO rules, with a view to safeguarding the benefits derived therefrom bearing in mind the special legal status of the sugar protocol.

And when you go to the sugar protocol itself, it says here.

The community undertakes, for an indefinite period, to purchase and import at a guaranteed price, specific quantities of cane sugar - raw or white, which would originate in the ACP States and which these States undertake to

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deliver to it and without prejudice to Article 7 no change in the protocol may enter into force until a period of five years has elapsed from the date on which the convention enters into force. Thereafter such changes as may be agreed upon will come into force at a time to be agreed.

So an examination of these Articles bears out in fact, what Dr Boolell was saying to the European Parliament, but there is another Article in this Agreement - Article 12, which appears to indicate that the EU may, unilaterally, in the interest of coherence of community policies, take measures which might affect the ACP's interests. Clearly, we are in the area of this Article right now. Let me just read a little to the House from Article 12 which says:

Without prejudice to Article 96 ... which deals with human rights issues

... where the community intends in the exercise of powers, to take a measure which might affect the interests of ACP states, as far as this agreement's objectives are concerned, it shall inform them in good time and States its intentions. Towards this end the Commission shall communicate simultaneously to the Secretariat.

It shows therefore that the European Union is using this area of this Agreement to act unilaterally, without any reference to the contract that they have entered into with the ACP States. So in highlighting this special legal status of the sugar protocol Sir and calling for among other things and intervention agents which is in Article 6 of the protocol, is Dr Boolell raising the ante and creating a dispute - a legal dispute? I hope that he would be, because in addition to the political action which Minister Rohee says and I would quote again from his letter - that they have embarked upon serious political actions.

In addition to the political actions, I would submit that perhaps that the legal battle can run parallel to the political battle in this fight against the destruction of the sugar

protocol.

And let me read Article 98, which deals with disputes. It says:

Any dispute arising from the interpretation or application of this agreement between one or more member States of the community on the one hand, and one or more ACP States on the other hand, shall be submitted to the Council of Ministers and if the Council of Ministers is out, it shall be submitted to the Committee of Ambassadors and finally to arbitration, which shall be concluded within three months where both sides choose two Arbiters, and the two choose the third.

So there is scope in the ambit of the agreement itself, that if we can raise... or if Dr Boolell is thinking along those lines to raise the ante to create a dispute and use that section, as I said, that along with the political action which the Government has said that they have embarked upon, we might be able to use a two-pronged approach to this problem.

Mr Speaker, no doubt the position taken by the European Union, to earlier rather than later, cut subsidies, was influenced by the WTO ruling in April of this year, but we have heard from Dr Boolell's arguments and my colleague also raised that argument that the cuts are much too steep and much more than are required for them to comply with the WTO rules. These resultant cuts or dilemmas faced by Guyana and other ACP countries can be seen as the casualty of the EU's arrangements. Europe has always disappointed us and let us face it, we have always been casualties or pawns in the hands of European powers. The Honourable Member Mr Dev again has so amplified for us. I should say that our only hope in this scenario is to be... and if I may use a naval analogy.

We have to be like little gunboats in the midst of destroyers or warships with the emphasis on manoeuvrability.

We have to be able to manoeuvre, (Mrs Backer's son is in naval college

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so the analogy fit in with her) we have to be like little gunboat and I am sure, a lot of us know or remember the effects of gunboats from our neighbouring country. [Laughter] We ought to be able to manoeuvre among the warships, among the big nations to get our way, so political action and legal action, I submit, should be used hand in hand. We have to be able to adapt and not run against the tide. It appears that the tide is that sugar alone - a monocrop alone for any country is quite questionable and I am hoping that the sugar factory at Skeldon does not end up as being a white elephant to us. I am hoping that the whole process will go through and that the country will benefit from that project. I don't know whether GUYSSUCO's Strategic Plan will be able to survive and help us out here.

I would like to read a little into the preamble of this COTONOU Agreement and these lofty aims and ideas that were put out in this Agreement, which can be so easily shattered by an application of Section 12 - Self-interest. Let me read for the benefit of the House, just three Clauses of the preamble to this COTONOU Agreement. It says:

Having regard to the treaty established in the European Union on the one hand and the Georgetown Agreement, establishing the group of African, Caribbean and Pacific States on the other, affirming their commitment to work together towards the achievement of the objectives of poverty eradication, sustainable development and the gradual integration of the ACP countries into the world economy ascertain their resolve to make through their cooperation a significant contribution to the economic, social and cultural development of ACP States and to the greater wellbeing of their population helping them facing the challenge of globalisation and strengthening the ACP/EU partnership in the effort to give the process of globalisation a stronger social dimension.

These are some of the lofty aims set out here in the preamble. As I said that could be so easily shattered when Europe's interest is at stake.

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Mr Speaker, the interplay between Europe's need for sugar and our need to sell sugar, is not the same as in the past. We are beginning to feel the first pinch and I think it is quite a severe one if the proposals go through - the first pinch of globalization. For me, Guyana will essentially remain an agricultural country in the foreseeable future, but it is time that we begin to convert and this is where I stress the diversification aspect. We cannot continue with sugar or king sugar alone in this country as the mainstay of our economy. It is time we begin to convert some of our cane fields into orchards. It is time that we take advantage of niche markets for our exotic fruits in the very European Union countries and those can also be done through this COTONOU Agreement, because it has various protocols. Already I believe we have fishery agreements with the European Union, so there is a host of agro and aqua culture things that we could do to expand our economy.

Incidentally, Article 95 of the COTONOU Agreement specifies that the Agreement will run for twenty years, so we should be able to get other fruits and exotic things and create markets in Europe and these things bring in so much money, people who do niche marketing will tell you - countries who do niche marketing will tell you. The Agreement runs for twenty years and can encompass agreements on a wide range of agri-products. It is also time we set up more organic farming, which is sweeping Europe and first-world countries - the need for organic food. All we have as far as I know is Prince Charles' Organic Cocoa Farm which supplies cocoa to London, but we can do these things with a range of our agricultural products, because people in Europe and North America are more and more craving organically-grown foods. As of now we have as I said, only Prince Charles' Organic Cocoa Farm. Many of our friends and advisers have been telling us for a long-time of the benefit of niche markets and these kinds of organic farming. It is time that the government gets down to seriously diversify our agricultural part of the economy. We also have to think about value added products. I heard that the Skeldon Estate will be packaging sugar and will be sending the Demerara sugar, but I also heard that Mauritius has already patented Demerara sugar as a type of sugar. Imagine that Demerara sugar,

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which originated here, has been patented by Mauritius. Isn't that something that we have to think of our value-added products not only in Agri, but in other aspects - in our timber and gold industries and in all the other industries which we have, because the time for relying on mono-crops and on one pillar of the economy is long over. But we can think of value added products for rice also. The PNC did it as was alluded to by my Honourable friend Mr Mustapha. We did a lot of diversification. Mr Mustapha said it did not work, but it can still work because the Agro plan is there.

Let me remind House of some of the things the PNC did, which can be brushed up and used again.

- We had a Peking duck farm, in conjunction with the Chinese Government who is still here, and who are still willing to help us in so many aspects.
- We were growing cotton in conjunction with the Chinese. You could scoff as much as you want. I hope we do not have the last laugh.
- We had intermediate the savannahs planted up with legumes and things like that.
- We had aqua farms - tilapia and shrimp farms and all of these things, which could be done again and made to bring income into this country.

[Interruption: 'With better administration.'] You can call it better administration, but if you feel you have the better administration, well then do it. The ideas were not bad. If you feel that somebody else did it badly, then you do it better, but the ideas by themselves are not bad, and you have to recognize that, because in the world's affair you have to recognize the need for these things and the need for them to bring in money for us. The writing has been on the wall, as I said, for sugar for the longest while, so let us get our act together and let us produce... and I do not want to say *produce or perish*. That was an old slogan; let us

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diversify or the whole of Guyana will perish. Thank you Sir [Applause]

The Speaker: Thank you Honourable Member

Honourable Members, I think this is a convenient time where we can suspend for half an hour.

16:05H - SUSPENSION OF SITTING

16:44H - RESUMPTION OF SITTING

Mr Komal Chand: Mr Speaker, I rise to join my colleague MPs to contribute to the Motion before the House.

Indeed Guyana and the other ACP producing countries, as well as the beet countries in Europe, have to live with a lower sugar price from the European Union. Will the price cut be as steep as 39 percent as is being reiterated by Mariann Fischer Boel, the new Agricultural Commissioner of the European Union? There are many doomsayers who are arguing that the proposed price cut is a done deal and that we must close our sugar estates or for that matter some of our sugar estates. It is even peddled that the Government has agreed with the International Monetary Fund to close to the Demerara Estates. What falsehood! Why are the mischief makers spouting fear and creating confusion? Is it for cheap political mileage? The IMF's Resident Representative in Guyana, Mr Saqib Rizavi according to the *Guyana Chronicle* on Tuesday 26 April 2005, has confirmed that there is no agreement between the Government and the IMF to close any sugar estates. The Resident Representative is quoted to have said:

The Government of Guyana has not given any specific undertaking to close the Demerara Sugar Estates. This is a statement of fact, not opinion.

Here you have it from the horse's mouth.

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Mr Speaker, just last Monday, 18 July 2005, in Brussels there was a huge protest from thousands of beet farmers from 21 European countries, who blocked the streets with tractors while carrying banners and shouting appropriate slogans. They were accompanied by protesters from Mauritius - the major ACP sugar exporting country to the European Union. It is clear from the protest that the countries which are strongly opposed to price cuts remain the same in number and the expectation that many EU beet-producing countries, which have received a larger share of the EU farm subsidies, would be compromising their position is being shattered. Reuters said that in theory, the anti-group has enough power as a blocking minority on the EU rated voted system to stop the deal. According to the Stabroek News Article of 20 July 2005, Mariann Fischer Boel, the EU Agricultural Commissioner is reported to have said:

She has no doubt that a deal would be reached on the sugar regime reform.

Mr Speaker, let us not let go on the lobbying efforts and protests from the ACP countries. There is need for more protests from the beet farmers and ACP producers. This is the first time we are hearing the Agricultural Commissioner speaking about a deal. Last Monday's protest must have impacted much on the extreme price cut as proposed by the European Union. The two sugar unions in Guyana, the Guyana Agricultural and General Workers Union (GAWU) and the National Association of Agriculture, Commercial and Industrial Employees (NAACIE) and the Guyana Sugar Corporation have been contributing to the protest through picketing exercises outside of the EU's Office here in Georgetown. We had the opportunity to benefit, in that picketing exercise with the support of Minister Clement Rohee. Through a number of joint letters addressed to various European Commissioners, - to Peter Mendelsohn, the Commissioner of Trade; Mariann Fischer-Boel, Commissioner of Agriculture and Rural Development and Louis Nelson, Commissioner for Development and Humanitarian Aid.

Maybe, after this Motion, which no doubt will receive unanimous

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support from the political parties, we wish and I hope that from this Motion, we can engage all the political parties here in protest action against the proposed price cut and the time line of the new pricing implementation I am happy that this concern is expressed by the Opposition Members of Parliament, because there were mixed signals before from them. Some of them were even critical of the programme of GUYSUCO, which has been carefully studied. It is suggested that we have further protests outside the EU's Office and outside the British High Commission, taking into consideration that Prime Minister Tony Blair of Great Britain is holding the Presidency of the EU for the next six months, during which time the proposed price cut would be finally decided upon in the European Parliament. Let all of us MPs match our pronouncements with actions; I hope that this invitation will receive the support of the other side of the House.

Mr Speaker, the Motion speaks to the loss of income and the significant negative impact it will have on the economy. Yes, if the price cut is to be 39 percent then Guyana will lose US\$40 million or G\$8 billion per annum. G\$8 billion is more than half of the current annual employment cost of GUYSUCO. This will be equivalent to about one-third of the present revenue of the Guyana Sugar Corporation. If the Strategic Plan of GUYSUCO is not put in place significant falls in revenue will have a devastating impact on both the Corporation and the economy of this country. We must not forget that GUYSUCO makes a vital economic and social contribution to the nation. It employs the largest number of people - some 20,000 are employed - thus an estimated 100,000 are therefore directly dependent on sugar for a livelihood. Some 5,000 cane farmers sell their canes to GUYSUCO, therefore approximately 125,000 persons are directly and indirectly employed by GUYSUCO. Those to be affected include Guyanese of all persuasions and political affiliations. Surely a large number of supporters of the opposition parties, no doubt, would be affected in a direct way. A substantial part of the turnover and profits generated by other businesses depends on raw materials supplied by GUYSUCO - on sales of material, products and services to GUYSUCO. Do not forget that GUYSUCO is the largest net earner of

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foreign exchange - about US\$133 million annually. It accounts for 17 percent of the Gross Domestic Product and sugar accounts for 50 percent of Guyana's overall agriculture. It is one of the largest contributors to NDC rates and taxes. Indeed Mr Speaker, sugar pays public servants and contributes to the upkeep of all Guyanese. GUYSUCO provides medical facilities to employees and maintain a number of community centres which benefit so many in the rural areas.

16:55H

[The Speaker withdraws from the Chair]

[Mr Donald Ramotar, Presiding Member assumes the Chair]

Last but not least, the Corporation's education and training programmes turns out a number of apprentices annually and has an outreach programmes with primary, secondary and tertiary educational institutions through bursaries, scholarships, cadetships and attachments.

Mr Speaker, the timeline for the implementation of the price cut is also vitally important for the survival of our sugar industry. It is false to say, as some ponder, that GUYSUCO did not plan and prepare for the proposed EU price reform. We have the Skeldon modernization project on board, although it is almost two years late, the delay was hinged to getting everything in place, including the financing of the project. Under this project a state-of-the-art factory will be constructed by the second half of 2007. The factory will be capable of producing 110,000 tonnes of sugar annually. The investment at Skeldon is to allow the use of additional land of proven high productivity. This new factory with cogeneration facilities, will provide GUYSUCO the opportunity to supply the national grid with 10 megawatts of electricity of its 30 megawatts output. This will enable the entire Berbice, no doubt, to enjoy stable and possibly cheaper electricity. I noticed that many of the doomsayers have changed their tune and are supporting the Skeldon project and this is good for all of us - all Guyanese.

16:57H

[The Speaker resumes the Chair]

The construction of a distillery to convert molasses to alcohol is also on the cards. The project will be on firmer ground as soon as the court matter, which presently has forestalled the project is addressed.

Already the Corporation has embarked on value added sugar since 2003. A better quality of sugar has been the main factor for Guyana sugar to have a market of about 100,000 tonnes, from a position in 1992, when our CARICOM market was just 1000 tonnes.

Mr Speaker, there is also the possibility of establishing a sugar refinery to supply local and CARICOM markets. Almost 150,000 tonnes of refined sugar is imported annually into our CARICOM countries.

Against this background, you will see if we are given the timeframe as is spelt out in the Motion, and to have the cuts capped between 16 and 20 percent, surely there would be no threat to the estates' survival. Mr Speaker, to seek a certain price for our sugar exported to the European Union is not seeking charity. As a colony of Great Britain, our economy was restricted in its diversification. I wish to quote from Pages 72 and 73, Dr Jagan's book *The West on Trial*:

Before the introduction of a ministerial system of government, considerable power was exercised by various statutory boards and committees. The Drainage Board, the Central Board of Health, the Transport and Harbours Board, the Local Government Board and others, all of which were the domain of the planters and their supporters. Seaforth and Mourish headed the strategic Drainage and Sea Defence Board. For their exalted and strategic positions, these men serviced big business and demonstrated, in one form or the other, that sugar was still king; that the government was sugar-coated and British Guiana

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was indeed Bookers Guiana. The powerful Booker Brothers, Mc Connell and Co. Ltd. not only accounted for nearly three-quarters of the total sugar production, but also monopolized commerce and trade and held commanding positions in the timber industry and in shipping. Frederick Seaforth was also the director of the Demerara Bauxite Company and about the only thing Bookers did not own was a funeral parlour. Thus the standing gibe, and I quote "Bookers took care of you from the cradle to the grave." The only thing it did not do was bury you.

These were the times when GUYSUCO and other ACP countries, which were all former colonies of European colonizers, would have obtained greater prices for sugar. However, these countries abided by the rules. There was a time when the world price touched an all-time peak of £650 per tonne, but the ACP countries respected the sugar protocol. We must therefore press our moral and justified case for a fair price for our sugar to Europe. At least the UK government has an obligation to ensure that we receive a fair price. It should make up the price difference if the EU price cuts will cause dislocation to our industry and economy.

We are heartened that the opposition is seeking to express its concern over what is taking place in Europe, which actions can have disastrous effects on our sugar industry and badly affect the lives of every Guyanese. As I said, they sent mixed signals before and some have even called for the closing down of sugar estates. We hope that this Resolution is a sign that this House is four-square with the strategies worked out by the Government to improve efficiency in the industry for the benefit of the country as a whole.

Mr Speaker, I want to close and to remind my colleagues to let us join hands in the picketing exercise that I suggested to them and let us demonstrate our unanimity over this issue. I thank you. *[Applause]*.

The Speaker: Thank you Honourable Member.

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Honourable Member Mrs Sheila Holder

Mrs Sheila VA Holder: Mr Speaker, as a patriotic Guyanese, I could do nothing else but support the call made in the Motion before the House today. I do so well aware that the economic survival of each and every one of us will be adversely affected should the European Union's proposal of steep and rapid price cuts to sugar imports from the ACP countries come to fruition.

With the last several years of stagnation and decline being experienced in Guyana's economy, the anticipated loss of US\$40 million annually in revenue from Guyana's sugar exports would take us to a place too frightening to contemplate. Be that as it may Mr Speaker, this National Assembly could hardly ignore the fact that since 1995, it was known that, with the advent of the WTO and to the liberalization of trade, restructuring of the Guyana sugar industry had to be done. Notification of this situation was given at the Fourth ACP Ministerial Conference, held in Jamaica as early as 1995, when the European Union representative Ejner Stendevad said:

Changed import regime would gradually reduce the preference for the EU and ACP sugar which in the case of a low world market price, would increase the pressure on the EU market price. This could lead to the reduction of the support price and thus the ACP guaranteed price in the annual price review. Growers and sugar producers in the European Union and the ACP states should use the time and good conditions now to rationalize and modernise their production in preparation for increased competition worldwide.

The source of my quotation is from GUYSUCO's Annual Report and Accounts for the year 1995, Page 7 - The Chairman's Report.

Mr Speaker, it is appropriate at this time to note, that the manage-

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ment of GUYSUCO was taken out of the hands of Guyanese a decade and a half ago and put under the management of Tait and Lyle of Booker Tait. What advice was forthcoming from these high-priced experts and did the Board of Directors of GUYSUCO heed their advice?

We know that in June 1996, GUYSUCO went to the sugar unions and to the National Cane Farmers' Committee which was set up specifically to monitor and control activities of cane farmers to apprise them of these realities. With the cost of production at 21 US cents approximately, the base market export at the time was as follows:

- to the European Union, we sold 164,500 tonnes at an approximate price of 29 US cents per pound;
- to SPA Portugal, 30,000 tonnes at 25 US cents per pound;
- to the United States of America, 12,000 tonnes at 20 US cents per pound;
- to CARICOM we sold 22,000 tonnes at 15 US cents per pound; and
- on the local market GUYSUCO sold 22,500 tonnes of sugar at the cost of 15 US cents per pound equivalent, making a grand total of 251,000 tonnes. Because of the Caribbean countries shortfall, Guyana was able to sell 15,000 tonnes above the 30,000 tonnes quota. Also the US quota was increased from 12,000 tonnes to 20,000 tonnes. The static European price had gone down in real terms by 20 percent due to inflation, but was masked by favourable exchange movement, resulting in good Guyana dollar values, as the pound had weakened against the Eurodollar, which meant more pounds to the Euro. Meanwhile Mr Speaker, the pound strengthened against the US dollar, which meant more US dollars per pound. So in fact our sugar industry was being buoyed by windfalls, which in

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turn made Booker Tait look like West Indies cricketing champions - onetime champions - in view of the Guyana dollar depreciation, which in 1990 had dropped from G\$27.25 to G\$39 to the US\$1.

Mr Speaker, in that very year - 1990, Booker Tait took over the management of the industry and promptly increased wages and salaries by 50 percent, enhancing their image further. A year later, when the Guyana dollar depreciated further to \$119.45, Booker Tait was seen as magicians with the Midas touch.

So the Guyana dollar windfall ended up in an increased wages bill, which in turn made GAWU also look like first-class champions to the workers with the obvious consequence of vindicating the decision to hire Booker Tait. So the magical aura of Booker Tait continued until faced with the present aura of gloom, where last year's EU protocol prices stood at 23 US cents a pound, compared to 29 US cents a pound in 1996. Meanwhile, local sales last year, which amounted to 36,658 tonnes up from 22,500 tonnes in 1996, earned a meagre 12 US cents per pound, which is approximately three US cents a pound less than the price earned in 1996. It is necessary for me to make this point, because at that time Suriname, CARICOM bulk and new regional markets, along with local sales totalling 46,765 tonnes were sold below the cost of production, which was stated in GUYSUCO's Annual Report and Accounts for 2002, as being at 18.2 cents per pound.

Therefore, a pertinent question for this House is, why are we selling large tonnage of sugar to the three markets in CARICOM, below the cost of local sales and by extension, below the cost of production, while arguing strenuously and hysterically about falling EU prices? When, in 1997 GUYSUCO's Annual Report stated that GUYSUCO's revenue and profitability continues to suffer, because it subsidizes domestic consumers and the cane farmers in the industry to a significant degree? Where do our cane farmers stand in this unfolding situation? The predicament, facing local cane farmers is one where Booker Tait, since the early 1990s, took the position that they were getting too much money at 70 percent

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of the average sugar price and wanted they wanted to bring to price down to 60 percent, in order to bring cane farmer prices more in line with the rest of world.

Even as we speak, efforts are being made by GUYSUCO to bring to the price paid to local cane farmers down further to 65 percent of average sugar price.

Clearly, what is good for the goose is not necessarily being seen as good for the gander. With cane farmers earning approximately \$50,000 per tonne on a shared basis of 70 percent to farmers, with no levy deducted and 30 percent to GUYSUCO subjected to levy the subsidy is approximately 20 percent of the gross revenue to cane farmers. Yet in the 1998 GUYSUCO Report, they turned around and said that a comparison of the cost of production of a tonne of cane by the Corporation and that of the purchasing price of a tonne of cane from farmers was more. Cane farmers received \$4,110 while \$3,938 went to GUYSUCO - a mere difference of \$172. Clearly there is inaccuracy in that report.

Mr Speaker, the fact is that the price formula set out in the NCFC Act has to do with what revenue is accrued by GUYSUCO from sales and has nothing to do with the cost of production. This is in fact to some degree, a level of deception on the part of GUYSUCO, contained in their annual report and accounts.

Mr Speaker, the Skeldon project which is seen as the answer to the anticipated EU price cuts, has manifested some problems, which Government seems unwilling to confront - problems such as the fact that the cost of production at the Skeldon factory is unlikely to attain the world market price in under five years. With the quantum of cane from the state-of-the-art factory targeted at 110,000 tonnes of sugar, along with cogeneration for the purposes of achieving viability, one of the three sourcing of cane for the factory places a heavy burden on new cane farmers, who are expected to produce approximately 36,000 tonnes - one-third of the targeted 110,000 tonnes. Mr Speaker, without the input of cane farmers, whose role is essential to the viability of this project,

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the project collapses. Yet cane farming development is being fuelled by one retired manager, Douglas Niles, who currently does not even have his own vehicle to get around. Without getting into the anticipated technical problems regarding demographic analyses that anticipates less availability of cane cutters at the Skeldon project and the historical experience of poor quality cane from mechanical harvesters leads to a pertinent question for this House is, where it is the financing for cane farmers to come from to establish over 17,000 additional acres of mechanized sugar cane cultivation, which is likely to produce barely more than 2 tonnes of sugar per acre at a time when European Union cane prices are plummeting?

The stark reality

Mr Speaker, facing the industry therefore is that without the cane farmers' capacity to make to 36,000 tonnes the Skeldon project will not be financially viable and therefore it is imperative that greater emphasis be placed on this particular aspect of the extension of the project. I thank you

[Applause]

The Speaker: Thank you Honourable Member.

The Honourable Minister of Fisheries, Crops and Livestock

Hon Satyadeow Sawh: Mr Speaker, it is clear from the presentations that we have listened to here this afternoon that the sugar industry is facing severe challenges to its viability as a productive industry. However, despite these present challenges that our industry faces it continues to be the single, most important agricultural contributor to our national economy and this is borne out by our national budget this year, which states that in 2004, sugar contributed 18 percent of the total Gross Domestic Product and to 30 percent of agricultural GDP at a figure of G\$1,006 million. The sugar industry is also continuing to improve in terms of production having increased raw sugar output last year to over 2003

levels by 8 percent to 325,317 tonnes the second highest level in a decade.

Mr Speaker, it is my intention this afternoon to concentrate primarily on the issue of diversification, which so many members of this Honourable House have touched on in their presentations.

The Honourable Member Mr McAllister ...*[Interruption: 'You did not get it right']* I would mention the name only once in my presentation so I would not have to correct it, but he stated that we must diversify within the sugar industry and asked where the programmes are. I intend in my presentation to answer that question.

The Honourable Member Mr Ravi Dev stated that we have to diversify away from the sugar industry particularly in Berbice. Regrettably he is not here to hear answer, that we have already started to whole process of diversifying away from sugar and particularly in Region 6.

The Honourable Member Mrs Clarissa Riehl her presentation, stated that we failed to address the issue of diversification, hoping that the sugar factory that we are building in Skeldon can go through, and of course, she listed several other issues of a diversification nature.

And again we heard from the Honourable Member Mrs Sheila Holder, a few moments ago, about the need to look after our cane farmers and questioning whether cane farming can add or deliver in terms of the output that is necessary.

Mr Speaker, it is important for us all to recognize that the threats of changes to the EU sugar regime are not the only challenges that we face at this point in time. Even though the average cost of production has fallen by 22 percent since the 1995/1996 cropping seasons, Guyana remains a relatively high-cost producer, at 18 US cents per pound. This compares unfavourably to regional competitors such as north-eastern Brazil and the USA, as well as other ACP countries such as Mauritius, Fiji and Malawi. In order to become internationally competitive, we

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recognize the need to further reduce the average cost per pound - from the current 18 US cents, to about 13 US cents per pound. In order to accomplish this feat the sugar industry is currently in the process of a modernization and diversification programme to ensure the improved competitiveness of Guyana's sugar products and a broadening of the range of products that we can derive from sugar. It is envisaged that unlike the predictions of Honourable Member Mrs Holder, that Guyana can become fully internationally competitive within four to five years and this will require a large amount of dedication and of course investments.

To this effect Mr Speaker, as part of the first phase to accompanying the modernization of sugar industry, it is what all of us have spoken about the construction of a modern state-of-the-art factory at Skeldon, which was chosen as the site for this factory, in part because the surrounding sugar estates of Skeldon, Albion, Rose Hall and Blairmont are among the lowest cost-producers in our country.

As was noted by the Honourable Minister of Finance, in his budget presentation this year, an agreement was signed on January 25, with the Chinese government for US\$32.2 million concessional loan. These funds are being used to finance the contract signed with the China National Technical and Import and Export Corporation.

The process is already well underway Mr Speaker, in terms of design and factory hopefully, will be completed in October 2007, during the second cropping season. It will then undergo testing to root out production obstacles before it becomes fully online and operational for the first cropping season of 2008. It is expected Sir, that the construction of this new factory will lead to the required fall in average cost needed to reach the internationally competitive target of 13 US cents per pound. It is also expected that new land will be established with sugar cane to offset employment losses from the mechanization of the Skeldon factory and here I can add that this includes the addition of 2,120 hectares at Manarabisi; 6,000 hectares between Skeldon and the Canje River and a further 4,276 hectares for the Albion/Rose Hall consolidation.

continued in pt II

National Assembly Debates

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE SECOND SESSION (2002-2005) OF THE EIGHTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN

Part II

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The new factory at Skeldon, will allow the production of 120,000 tonnes of high-quality raw sugar per year. The steam and power plant will also allow for the provision of up to 10 megawatts of electricity for export to the national grid, thus leading to a multiplier effect, where agents outside the sugar industry can benefit from a more reliable and cheaper power source. This is to be achieved by the conversion of sugar waste from the production process, bagasse into electricity in the steam and power plant. Hence bagasse will be used as the power source during the operating season and for part of the out of crop. During this extended off-crop, this power source will be supplemented by diesel fuel. This will greatly contribute to the reduced average cost of production, especially given the current climate of increased fuel prices.

As well as converting bagasse into electricity, there is the possibility of also using high- biomass sugar cane which while low in sucrose, is high in energy content and therefore primed for conversion to electricity. This will help to supplement bagasse during the off crop season, as well as providing additional employment for its production.

As modelled by our neighbouring country Brazil, there are great possibilities for Guyana to further exploit the potential of sugar cane as an energy crop for the conversion of the juice of high biomass sugar cane into ethanol. Rather than using the juice from the sugar cane to produce sugar, the juice directly fermented, to produce ethanol. It has been noted in several studies that sugar cane as a C-4 plant is a highly

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efficient vehicle for fixing solar energy and is thus a prime candidate for conversion into ethanol, as is successfully carried out today in Brazil and the United States of America.

Ethanol from carbohydrate crops is gaining an important niche. The Honourable Member

Ms Clarissa Reihl spoke about us trying to exploit niche markets. This carbohydrate crop is gaining an important niche in the motor vehicle fuel market - both as a direct, clean fuel and as an octane enhancer. With the Skeldon factory situated on the coast, there is a captive local market for any surplus ethanol that can be generated.

Mr Speaker, annual gasoline imports into Guyana are approximately 113 million litres and given that ethanol can be carefully substituted to gasoline to 10 percent, without any modification to the fuel feed system of a modern vehicle, at annual market for 11.3 million litres of ethanol as a gasoline substitute is implied.

Again, this would lead to a multiplier effect for other industries than sugar, as they begin to benefit from lower fuel prices and thus also become more competitive. The increased production of sugar cane, which will result from the construction of the Skeldon factory, will also allow the increased production of molasses, required in the production of rum and other spirits. This allows the potential for further diversification of production of the sugar industry by the installation of a distillery that will allow for local production of rum and other spirits and also for production in association with local and foreign companies.

Wage cost remains a large part of the cost of the sugar industry. In order to overcome this, wage increases are being kept to the current level of inflation at roughly five percent, and the wage bill will also be controlled through voluntary attrition.

Mr Speaker, efforts are being made in our industry to improve its efficiency and profitability with efforts being made at the regional level

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also through the regional transformation programme or the RTP for agriculture. The RTP is spearheaded by the Jagdeo Initiative, as laid out by his Excellency President Bharrat Jagdeo and which received the endorsement of the recent 16th Intercessional Conference of Heads of Government, held in Suriname. Our industry will benefit both directly and indirectly, under the Jagdeo Initiative, most notably the establishment of an Agricultural Modernization Fund, which will help to upgrade regional infrastructure, but also there is a commitment to strengthen the regional research and development capacity (R&D), which is so important in our technological changes today.

As well as increasing the efficiency and reducing the cost of our sugar industry, an important aspect of the diversification thrust is moving up in the value added train, high value added products, which have the potential to offer greater economic returns to investment. To this end Sir, GUYSUCO has already been marketing its own high-end Demerara Gold brand of brown sugar for both the local and export markets. GUYSUCO is also looking at the production of other brands of lower value-added brown sugar to be marketed both local and overseas.

The construction of the factory at Skeldon will allow for the refining of sugar into white refined sugar as a high value-added sugar and other speakers today, spoke about the need for value added products. To this end Mr Speaker, a feasibility study is in the final stages of completion, with a report due by August of this year. It is expected that refined white sugar production will begin, initially for the local market, in order to build capacity before production is extended for the export market.

A number of markets are being looked at closely for their potential for the expansion of our exports notably the US and Canadian markets. Canada, for example, has a great potential for the export of our refined white sugar. An import demand for refined white sugar grew by 12 per cent in 1999 to 2003.

As well as US and Canada, there is great potential for exports to our regional CARICOM countries. Guyana has achieved exports to our

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CARICOM countries and we have seen it dramatically increase during the period 1999 to 2003. The value of sugar exports to CARICOM increased by 360 percent to approximately US\$17.9 million in 2003, supplying 37.7 percent of CARICOM's total import demand. Guyana has achieved this through its strong competitive advantage for export to the CARICOM market by virtue of its membership to the CSME.

With sugar producers such as St Kitts and Nevis stopping production and other producers scaling down their production due to the reforms of the EU sugar regime, there is potential, as has been adumbrated in this House this afternoon for Guyana to fill these gaps in production, thus boosting its own total exports, which stood G\$27,522 million for 2004 - a 15 percent increase on the value at the beginning of this century.

To further diversify our sugar industry, there is the potential to exploit again the niche markets like tourism. As more and more people begin to visit our country for the natural beauty of its flora and fauna, it could be possible to include a package, which would explain the historical importance and role that sugar has played in the social and economic development of our country. This package could include factory tours, as well as tours of sugar estates in general. This is especially marketable, Sir, in the current market where sugar has been placed high on the international agenda for developed and developing countries alike.

Mr Speaker, please allow me some more time to touch on some of the issues raised by my colleagues on the other side in their presentations. The question is not who was engaged in diversification. I feel, more relevant is the question why diversification has failed during a particular period of time? Of course, if you were to analyse the reasoning, you will see that a lack of strategic planning, with a lack of confidence in the people behind the projects, were contributing factors, so therefore diversification today is essential.

I have spoken a little about diversification within the sugar industry, but part and parcel of this Government's strategy has been to put less

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reliance on the main economic pillars of our industries, like sugar and rice, and to move away and diversify outside of these major commodities, which have stood us so well over these years. That is why today Sir, we can talk about organic agriculture, for example, and it is very regrettable that my friend, Honourable Member Mrs Clarissa Reihl, can only speak about or knows of, some organic farm by his Royal Highness Prince Charles. There is an organic project in Region 1 encompassing scores of farmers that produce organically grown cocoa beans to be processed into organically made chocolates, eventually to be shipped around the world.

Mr Speaker, in Region 2 we have a factory that processes organically grown pineapples, which are exported to the regions and to North America. We have a factory that processes organically grown heart-of-the-palm which is supplied to supermarkets in Europe and North America. GUYSUOCO is also experimenting with organically-grown sugarcane at Uitvlugt. I intend to send a sample of all of these things, very soon, to my Honourable Colleague. [*Interruption: 'What about me?'*] You too, of course!

But it is not only in organic agriculture that we have moved forward Sir. In 1992, 12 years ago, and before we came into office Sir, Guyana was almost exclusively importing poultry meat. Today what is the situation with our poultry production in this country? We had the foresight to diversify to the point where we today are self-sufficient in poultry production under this PPP/C Government. So much so Sir, that we are now looking at the market for export. What about our fisheries sector? And I am grateful because the Honourable Member did acknowledge the work that we have done in fisheries, where we have gone to such a state that we are today certified by the European Union to export fish and fish products to their markets.

We are also conscious, Sir, that we should not put all of our reliance on our oceanic resources, and that this why again, in an effort to diversify, Sir, in 1992, when we only have 200 acres of aquaculture production, today under this Government we have close to 8000 acres

of aquaculture production.

What about the intermediate savannahs? The Honourable Member had cause to mention that in our Budget presentation and again, today those field investments, if you are to go there today Sir, as far as your eyes could see - lush green acres of undulating cornfields. Orchard crops, as a Member described, are right now growing in the savannahs, where people are employed to produce... and this company also has plans Mr Speaker, to set up a processing facility in the savannahs where we are going to have these fruits processed into fruit juices. This is what is happening in the intermediate savannahs under this administration.

I will tell you what is happening in Region 9 with peanut production, where we had a record production of about 2 million pounds of peanuts, and now, with appropriate certification, we are poised to tap the markets of the Caribbean with our own peanuts grown in the hinterland communities. These are examples ... *[Interruption]*

The Speaker: Honourable Member, I am sure that the Honourable House appreciates the great progress in diversification being made by the Government but we are still debating the Motion on sugar. I want you to bear that in mind.

Hon Satyadoew Sawh: I thank you Mr Speaker, and I thank you for your kindly reminder, but so many of our colleagues, in their presentation, talked about the need to diversify, I thought we will be bringing a bit of illumination to the Honourable House by reminding them that diversification is something that this Government has already embraced in its vision to enhance the well-being of the people of this country, and I think Mr Speaker, that this is as good a time as any, to say thank you very much.

The Speaker: Honourable Member Mr Carberry, I have not called you as yet. There is another speaker before you, if you have no objection.

Honourable Member Mr Khemraj Ramjattan

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Mr Khemraj Ramjattan: May I take this opportunity, after a very long while, to utter words in support of the Motion that is before this Honourable House. The security of Guyana's economy largely rests on sugar. We have to be frank, we have to be honest and we have to be fair. But we also have to be realistic, and in the context of this Motion before this Honourable House, appreciate that economic motivations of the Europeans are what are going to be the dominant factors. . . like in every other major development in world history, it is going to be the economics that are going to dominate all that is going to happen, and I just want, in this short intervention, to indicate that there are certain precautionary measures that we have to take, when we indicate to ourselves, that must go out there and lobby, with the ACP, to ensure that the preferential treatment which we are now getting continues, because I want to state that the cold hard facts seem not to indicate that the European Union will be going in that direction.

We have to understand that the economics of Europe now mean huge costs for the terrorism they are suffering from. It means huge costs for all that they are doing in almost all parts of the world - fighting wars in Iraq and whatever it is. These cost a lot. These costs have to be underwritten from somewhere and if they were giving the monies to ACP countries though preferential pricing, it has to be cut back someplace. That is a hard fact that we must take into account.

I also want to make mention of another thing - the generational gap of the new European leaders. They are not the Sir Jock Campbells of the world now, the Mendelssohns of Europe are far more distant from the colonies unlike the Sir Jock Campbell years gone by, so we have to take that as a hard harsh reality - that the sentiments that sometimes we feel that we might procure may not be forthcoming. It is in that context that it is extremely important that we start the process of making the very hard decisions.

Is sugar going to be the continuous security of the Guyana's economy? I rather suspect that yes, largely it will, but we have to start breaking traditional patterns in our economy. We have to move away,

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because if we do not evolve, however incrementally, we are not going to survive. Like dinosaurs in Jurassic Park we might also become extinct. We cannot put all of our eggs in that sugar basket. We have to start thinking in terms of doing other things, and doing them efficiently.

Then, it is important that we start becoming competitive in other industries. We should start breaking out from this stranglehold that history has strangled us with and that is sugar. We have to also start thinking of ensuring that we reduce regulatory impediments for other crops and in that context, although it was said here, I must say my good friend Mr Ramsaroop, who was doing something - minor impediments, but of course he has to abide by the law, but let us start dealing with them, so that these things can be smoothed over, even papered over, so that we can have economies being in other directions, making profits rather than simply putting all our eggs, as I have indicated, in this sugar basket. This is extremely important and that is another reason why the rhetoric just now from my very good friend the Honourable Member Minister Satyadeow Sawh, about we are going to do this diversification thing and its going to help. I remember exactly the same points were being made on the forestry sector and do you know what is happening? Today, we are still exporting more logs than any other-value added products and so we are going to talk and talk, but we have to come down to the harsh reality. Is it going to happen?

The short point that I want to make in addition to those, because I just want to make a short intervention, is that in similar terms that we come here and ask for unanimity in relation to this Motion, we must also come another time, when the adjustment funds will come, so that we would unanimously come to an agreement as to how it should be spent. *[Applause]* We must not only come here to talk about how we are going to lobby the European Union. We must come here and ask for unanimity in relation to how the adjustment funds will be spent. That is very important, because with that kind of unity, all the hallmarks of a progressive nation can be then coming our way, if we use that unanimity - unity of purpose, in relation to those other developmental projects that we would have to enter into.

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I just want to state that it is also very important that we must be full and frank with our populace out there. We must not give the impression that this sugar problem, which is going to hit us like the tsunami which hit the South East Asian nations, which is going to have the effect like a tsunami on us. We have to start telling the ordinary people out there that hard times will come on them, because they have to start making preparations for those hard times so that the effects of these hard times can at least be somewhat appreciated, and when the effects do come, at least they could be borne or buttressed a little better. I speak here now as an ordinary Guyanese, but we do not feel that this thing is not going to have the effects like some people are saying. It will have tremendous effects and all I am asking is that the Government, which knows lots more inside, that is, the executive branch of Government the inside story of this thing to come full and frank to the ordinary Guyanese, as to the effects and the implications. Thank you very much [*Applause*]

The Speaker: Thank you Honourable Member.

Honourable Member Mr Lance Carberry

Mr E Lance Carberry: Mr Speaker, the PNC/Reform has always been a party with a broad national vision for all Guyanese and this Motion is testimony to our national vision.

Unfortunately I do not believe our colleagues on the other side have understood the import of the two *be it further resolved clauses*. I must confess that what we have heard is very disappointing. Especially the last *be it resolved clause*, the idea really was not to... I was unfortunately, very disappointed, I was sitting here expecting that my colleagues on the other side would be able to rise above myopia and narrowness of vision and the usual pattern trying to cast blame and begin to focus on what is a national problem. That is the reason why we brought this Motion. We brought this Motion, because we feel that it is a national problem that has to be addressed in the context of a vision for the future of this nation. I have listened to the responses that we have had. When we speak about diversification Mr Speaker, we recognise that there is a

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need for diversification within the sugar industry, but we were thinking of the larger picture - the national economy, not just sugar, I was very surprised to hear one of the speakers on the other side disparaging attempts at diversification, which introduced into Guyana the production of cheese and butter, which we import right now, but he was disparaging it. As far as he was concerned, it was no good. Here was an attempt to deal with the large-scale production of cattle in a businesslike manner, with an Agro-industrial approach and here it was he was pooh-poohing - he was talking as if it really did not matter. Well now, I am not sure that that particular speaker really understood the import of what he was saying.

Mr Speaker, we know and we have heard that GUYSUCO is producing packaged sugar and it is trying to sell this packaged sugar. The trouble about it is, I do not even know if GUYSUCO has the right to use the name *Demerara Sugar*, because I understand there are some contenders for this name, but the fact of life is that we understand all of that. We are not talking about something in that. We are talking about a broader vision for moving us out of a depressed and contracting economy, into an economy that is characterized by growth and development.

If we are talking about moving out of poverty - eradicating poverty - what we need is growth and development and if we're going to have growth and development then we have to have a bigger vision than to be arguing whether or not there is cogeneration or whether or not there is organic farming. Organic farming simply means that you are not using non-organic fertilizers. Traditionally we have used cow manure and that is organic in many places. I do not think that some of my colleagues understand what the word organic means.

Let us address this issue that they have been making a big play about - *cogeneration*. Now cogeneration has always been practiced by the sugar industry. It is nothing new. What is new is that the industry is now going to be organizing its cogeneration to export power outside of the estate. That is the reality, so why is it that you are trying to mystify this and make it sound as if it is something great and new. It is something

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long in coming. Since the early 1980's it should have been coming. The fact is that I am glad to see it is coming and I hope that the state-owned company, called GPL, would stop imposing the kinds of burdens on the backs of the Guyanese consumers, than it is at the moment, when you put this electricity out in grid. I hope so. [Applause]

Mr Speaker, when we talk about diversification, there was a document called the *National Development Strategy*. Now I have a difficulty understanding where the Government stands on this thing, because here it was, a group of Guyanese were attempting to develop a vision for the future of Guyana and the Government has in fact been playing romance - hold me loose me - with this part. In their usual fashion of blame-game and not me, what they have been saying... now they are saying, we like the National Development Strategy, and then we are saying, no it is not ours, it is yours, it does not belong to us. Now where do you stand on this National Development Strategy? We have asked a long time ago for this National Development Strategy not only to be tabled in this Parliament, but to be debated in this Parliament and it has not happened. If we are going to be talking about a national vision, then we need to approach it in that way. We do not need to have a minister standing up there and trying to confuse us about a little fish-farming and a little of this and a little of that. That would not get us anywhere. We cannot develop by tinkering at the margins. We cannot develop by begging. We cannot develop by debt reduction. We have to have a vision and a programme that would catapult us out of poverty. That is what we need and we are not getting it from this Government. [Applause]

Mr Speaker, the last *be it resolved clause* speaks to the issue which underlies this whole problem of development and growth. We have to have in this country, an investor friendly environment, which encourages people to put their money into this economy so that this economy can diversify out of our traditional products, but into a wider range of products, using the many resources that we have - using our resource endowment - because at the end of the day if there is no creation of new jobs and incomes, what we are doing is continuing the generation of poverty. That is not what we want. We want investment. We want new

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industries. We want industries that will take us along the chain of real added value. I say real added value, because when I heard the Minister speaking, I was thinking about three agricultural products that had added-value in Europe, one was the fish with cocaine; the other was the lumber with cocaine, and the other was the rice with cocaine. They had added value, but that is not what we are talking about. [Laughter] We are talking about real added value products and it is possible for us to have other products that do not have that kind of added value. Sash, you could say, it is not me and I would agree with you. It is not you.

Mr Speaker, like the last intervention I made in this House I sometimes have a great difficulty when I am forced, like I am now, to get up to speak, because of the fact that instead of addressing the issue frontally and frankly, what we have is people trying to score petty political points and I say petty political points. I am surprised that the President of G A W U would get up and sound like a company union president. I do not understand that. I expect him to take a bigger vision. My colleague spoke about the problems with the cane farmers and I expected him to deal with issues of that nature, because he is a trade unionist, but instead he sounded like a member of a sugar-coated regime. I do not understand that.

Mr Speaker, I just want for the benefit of my colleagues on the other side, for them to understand that what we are saying in the second and last *be it resolved clauses* that if we do not diversify this economy in any serious way, we will be condemned to a future of poverty. If we diversify in a sensible way we will be in fact moving down the path of growth and development and the eradication of poverty and that is what we are asking you to address. The last *be it resolved clause* is simply saying that an important element in that exercise is to create an investor-friendly environment, which encourages investment in this economy. That is what we are saying and we hope you understand the importance of that. Here it is, the PNC/R has come to this Parliament with a Motion which takes a national position. We are supporting the Government and all other patriotic forces in this country, who are saying that the EU is driving this economy into the ground. We are supporting you on that.

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There is no question about that, but what we are also saying that it is not enough for us to cry foul. We have to have a programme for moving ourselves out of the problems that we have, because even if the EU agrees to do exactly what we ask them to do, we are still going to be faced with the problem of long-term development and growth and that is what we want you to address. Thank you Mr Speaker. *[Applause]*

The Speaker: Thank you Honourable Member.

The Honourable Minister of Foreign and International Trade

Hon Clement J Rohee: Mr Speaker, quite a lot has been said today in this Honourable House in the course of the debate and I must also stress that quite a lot was said, even before this debate, but lest some of us have short memories, let me remind this Honourable House that on 23 October 2003, on 5 August 2004, on 21 October 2004 and on 29 June 2005, as recent as that, I came to this Honourable House to bring to its attention the problems that were emerging, with respect to the reform of the sugar regime. So that anyone who claims ignorance (for want of a better word) on what is the nature of these reforms, what are the implications of these reforms and to regale, if not remind us of what was already said by this Government side with respect to the reform of sugar regime. I think it is important for the records that we remind this Honourable House of the statements that were made under the Item Statement by Ministers, in respect of the reform of the sugar regime.

Now Mr Speaker, I think that we have to admit that this is indeed a proud day for Guyana, and I, as the Minister who holds responsibility within CARICOM as the spokesperson for sugar, feel proud of the fact that this Honourable House is debating a Motion, which goes to the very heart of the economy of this country and in fact, the future of Guyana and many other countries in the Caribbean which are facing the same problem.

It is true that we have our disagreements from time to time, but I think on this one, we can agree that the issue before us is a matter that is

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inextricably linked to the future and the destiny of our beloved Guyana.

Mr Speaker, in the annals of the history of sugar there has been at least three momentous events that have caught the imagination of the nation and of forums of this type. I refer to 1948, when we had the shooting of the sugar workers at Enmore. This is a matter that is linked to the history of sugar. I refer to 1974 to 1976 period, when we had the nationalization of sugar... and I remember 1977 to 1978, when we had the 135 days strike by GAWU in pursuit of recognition of sugar workers. These were indeed momentous days in the history of sugar in this country, when sugar was debated and discussed in every nook and cranny of this country.

On this occasion, we have history in a sense repeating itself, where sugar has once again catapulted itself to the highest levels of our country's deliberative forums and is being discussed throughout the length and breadth of this country.

Mr Speaker, when I spoke in this Honourable House on 29 June, 2005, in a Statement by Ministers, I concluded that statement by stating:

In resisting the Commission proposal, we will need the support of the whole community of Guyana united as one. A wholehearted national effort, which I am sure will be forthcoming in the coming months.

Mr Speaker, that was on 29 June 2005. I am pleasantly happy to note that it did not take a matter of months, but weeks for us to come together to discuss a Motion, having been preceded by the statement which I made on 29 June.

I wish to also point out that the matter that we are discussing is not one that is related only to Guyana. It is not only a Guyana phenomenon. It is not peculiar to Guyana and indeed many of you have pointed it out in your statements, my colleagues in this Honourable House, by referring to the Africa, Caribbean and Pacific group and this group, of which Guyana is a part and which in fact was founded in this country... and

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that is something we are very proud of - That is to say the Georgetown Agreement, under which the ACP was established. [*Interruption; 'Under the PNC.'*] Well, you are the ones who are saying that we should not get political, so you want to score political points on that, we can. If you want to go down that road, we can go down that road, but I was not prepared to go down the road of who set up the ACP or not.

Mr Speaker, the ACP, of which Guyana is a full-fledged and active member has been very proactive in conducting and participating in a number of lobbying exercises in pursuit of a better deal than the one which the Commission has put on the table. But I must also point out that lest we forget and dismiss it as not an important factor, we have allies in Europe. Many times we seek to underestimate this factor, because had we not had allies in Europe, I am quite positive that we would have been castigated for not conducting our diplomacy whether collectively or singularly, in a way to win allies in this struggle against the reform proposals. We have to confess that as a result of vigorous action on the part of the ACP and working on common objectives, we have managed to develop a close relationship with nine countries out of the twenty-five in the European Union: Poland, Italy, Spain, Ireland, Greece, Portugal, Finland, Latvia, and Lithuania. There are two others which are vacillating and have not taken a definitive position on this matter, but with whom we are working very vigorously. Those are Slovakia and Slovenia. We believe and we know as a fact that given the structure of the European Commission, there is a strong possibility for these countries forming what is described in the EU Constitution as a blocking minority - to block any proposal of this type, which they consider detrimental to their interests.

Mr Speaker, were this to happen, I think this would be of signal importance to us, because then it would mean that the contradictions in Europe have deepened even more profoundly since the dispute between France and England over the direction in which Europe should go.

We are working very energetically with these countries, to the best of our ability, in order to ensure that they maintain a united position on the subject. I also want to point out that we have other allies, other than

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at the government level. Apart from working at the government level, we have other Allies in Europe and these allies are the beet farmers, who will suffer in the same way as sugar workers and cane farmers will be affected.

Mr Speaker, if these reform proposals are to go through, it would affect eighty sugar factories in Europe. In fact, eighty sugar factories in Europe - beet sugar factories will have to close. This means that 150,000 jobs, direct and indirect, will be affected, not to mention the incomes that will be affected as a result of such actions.

What of our position here? We have 30,000 workers who are directly and indirectly involved in sugar and 150,000 persons depend on sugar for their livelihood. Therefore, one is able to see that the interests of the beet sugar farmers in Europe compare to the interests of the sugar workers and cane farmers in this country are in jobs. So therefore, here again we have another staunch ally in our struggle to fight the Europeans on this question of reform of the sugar regime. This matter goes even further, because we are not making the mistake - strategic or tactical of only focusing on these countries and these social movements which I referred to. Australia, Thailand and Brazil are some of the developing countries I should say... because this is how they are described according to the World Trade Organization. These three developing countries are opposed to the continuation of subsidies by Europe, in respect of sugar and it is for that purpose they took Europe to WTO to challenge the sugar regime and they won subsequently and this Honourable House was informed of that matter.

We are determined, if necessary, to seek to influence the positions of even these countries, which are not necessarily on our side. In this respect, letters recently written to the Ministers of Commerce of these countries, I quoted precisely what these countries said, when the hearings of the appellate body were taking place at Geneva. Mr Speaker, for the benefit of this House, just let me give a few small quotations. In the case of Thailand this is what the Thai representative said:

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As a developing country, Thailand is fully aware of the need of developing countries for foreign exchange earnings, as an engine for economic development thus Thailand does not object to the preferential treatment accorded by the EC to selected ACP countries.

In the case of Brazil, the Brazilian Foreign Minister had this to say:

If there is a way to avoid collateral damage to the earnings of ACP countries then Brazil is willing to work with ACP countries to avoid such damage.

And finally, in the case of Australia, this is what the Australian Minister of Trade said:

As Australia has repeatedly made clear, it did not bring this dispute in order to interfere with the preferential access accorded to certain ACP countries and India to the EC sugar market. The EC can provide this preferential access, independently of the level of its subsidized exports and indeed is bound by treaty obligations, meaning the sugar protocol to provide for duty free access of quantities of approximately 1.3 million tonnes.

Mr Speaker, here are three countries, which are implacably opposed to what we are benefiting from Europe making statements of this type and therefore this means, to our mind, that we have to hold them to this word. We have to seek to pursue them to take such actions so as to ensure that when the EU decides to implement what the appellate body had agreed to, that they do not take steps first to dishonour or in violation of their commitments of an international nature, meaning the COTONOU Agreement and the sugar protocol; and that the cuts that they make to the sugar regime - to the price of sugar - is not contradictory to what the appellate body had instructed them to do and which the EU is seeking to go against.

I think members of this Honourable House would be more inter-

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ested to know what precisely are we planning to do from now on, having heard what are the implications and the ramifications of this matter.

Mr Speaker, Honourable member Mrs Clarissa Riehl raised the question of a statement made by my colleague from Mauritius, whose party just having won the elections in Mauritius, is now the new Minister treating with ACP matters in his country.

Now the Honourable Member raised the question of pursuing this battle on two fronts - the political/diplomatic, as well as the legal front. But Mr Speaker, it is not for a lack of vision nor it is not because we do not have thinking members in CARICOM or thinking members in Guyana that we have not thought about it. That is why I wish to refer to the report of the Second Meeting of CARICOM Stakeholders on Sugar, which was held in Georgetown on 10 May 2005, and this is what we, within CARICOM had to say:

Options open to the ACP include arbitration or legal action through the courts in Europe. In the event of a guaranteed price offer for 2006-2007 being deemed unacceptable to us, the ACP could request the EU to agree to arbitration in respect of that offer. Such actions could be taken under Article 98 of the COTONOU Agreement.

I think that Honourable Member Mrs Clarissa Riehl referred to Article 98 of the COTONOU Agreement and we went on to say further:

To test the value of the sugar protocol through arbitration might not be the best option. Other legal avenues need to be explored, such as through the court at first instance or the European Court of Justice. One possibility may be going to the court in relation to the breach of the interest of the ACP countries, in the context of the sugar protocol. CARICOM sugar exporting countries may need to take a decision on a course of action and then try to

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bring the other ACP exporting countries on board

As we noticed, the Ministerial spokesman for the ACP, which is Mauritius, from what I understand him to be saying, is clearly moving in this direction.

We finally conclude on this matter by saying:

Work should commence as soon as possible to determine the legal action best suited for achieving the aims of the ACP countries. In this regard what is at stake would appear to outweigh considerations of the financial implications of pursuing the matter in the court.

Because some countries were saying, when we were discussing this matter that this might cost a lot of money and where we are going to get the money from, and so forth. So that is why we came up with this formulation in this matter.

So Mr Speaker, we have already taken a decision since May, and in fact, this was a position here in CARICOM, by the CARICOM Protocol Countries, which we are committed to influencing others to come along, so that the ACP, - African and Pacific Countries - had not gone this far in their strategic planning in treating with the sugar regime. We had, and I think that we must give jack his jacket and give the Caribbean countries congratulations for having thought this far. *[Applause]*

Mr Speaker, the Heads of Government at their 26th regular meeting held in St. Lucia from 3 to 6 July, adopted a number of measures which they felt was necessary for them to pursue our agenda in respect of the reform proposals. Topping the list, is an agreement that a team of heads of government from the region, at an early date, will undertake a lobbying mission to Europe to impress CARICOM's case upon the heads of the EU member States. Now, since we begun this exercise, the lobbying efforts were pursued by ministers. We, at the ministerial level felt that it was necessary, that the time had come for us to elevate our lobbying efforts to a higher level. That is why we recommended to the heads

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and they accepted our recommendations, that they should now join the lobbying efforts at their level and this is to be organized at an early stage. So that the statement that they adopted also on sugar clearly points out what are the measures the region is not only contemplating taking, but is now taking in pursuance of their agenda on the reform of the sugar regime.

Mr Speaker, we in Guyana, in fulfilment of our responsibilities, not only as the spokesperson for sugar within CARICOM, but because we have a vested interest... in fact, I was happy to hear the Honourable Member Mr McAllister quoting the LMC Report. We have not accepted the LMC Report, which was done by a team of consultants by the DIFID and the European Union, because if one studies that LMC Report very carefully, there are a lot of things which we found objectionable and in fact we wrote to DIFID expressing our disagreements with certain points or certain issues that they raised in that document. I agree with my colleagues when they said that all is not lost, and this is certainly not a done deal. It is still early days yet before we can draw any conclusions.

In addition to that, may I say or may I add that sugar clearly has a future in this country. I think we have to make that statement as clearly and as unequivocally as we can. *[Applause]* Sugar clearly has a future in this country. I am not saying it because I am on the Government's side. I am saying this, because you do not need rocket science to understand this, but any intelligent person who understands the basics with respect to sugar and what is going on in global trade, would recognize the wisdom on the part of the Government in setting up this new sugar factory at Skeldon and not only limiting it to sugar production, but diversifying not outside of sugar, but within sugar.

I agreed that the Honourable Member Mr Carberry, because in the action plan for adjustments that is now being proposed by the European Union, in respect to adjustments, even though we do not agree with the paltry €40 million which they had proposed to treat with at the initial stages of the implementation of the reform proposals. We do not con-

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sidered that to be adequate and we are pressing them on this matter. The action plan for compensating at the initial stages vis a vis the implementation of the reform proposal, clearly states that resources that are to be made available are not going to be exclusively for the sugar industry, but for the entire economy and that is precisely the direction in which we are working together with GUYSUCO. Cabinet has agreed to establish a task force to treat with this matter and a number of agencies... we have an inter-agency group that is treating with this matter and it is tasked with the responsibility for interacting with the European Union and any person who come from the Commission from Europe to discuss this matter with them.

Mr Speaker, anyone can clearly see that we are running on several tracks at the same time. We are leaving no stone unturned. We are open to all options, because we consider this as a life and death matter. This is not a jokey matter for us. This is not the Maggie and Jigs' story. We are pursuing this matter with all seriousness and commitment and we believe that we must certainly look on the sunny-side of the street and be as optimistic as we can.

In this regard, after having studied the Motion, we are proposing a number of amendments - eleven in number - because we feel that this will help us to strengthen the Motion. We are not making these amendments out of any partisan interest. We see this as a national endeavour and therefore, if one is to look with an objective eye to the amendments that we are proposing here for consideration, you would clearly see how relevant they are... and this is most important - the relevance of the amendments because we are strictly or we are restricting the amendments to what we are actually discussing here. That to say, the European Union guaranteed prices for sugar or the negotiated price for sugar. Mr Speaker, we prefer to use the word negotiated, because we have to sit with the Europeans every time, every year, to negotiate prices, so that the while we may have a preferential market based on the COTONOU Agreement, it does not necessarily mean that we have a preferential price. What we have are negotiated prices depending on a number of factors. *[Interruption]*

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The Speaker: Your time is up Honourable Member.

Hon Reepu Daman Persaud: I wish to move that the Honourable Minister be given ten minutes to conclude his speech.

Question put and agreed to.

The Speaker: You may proceed Honourable Member.

Hon Clement J Rohee: Mr Speaker, we are also of the view that in paragraph 2 of the second *Whereas Clause*, we wish to insert the word *rapid* because we feel that the reform proposals, as tabled, if implemented would be done so in a very rapid manner, and this we certainly cannot withstand, so that without going through each one of the amendments, I think you have a procedure for this purpose, we wish to humbly submit these recommendations for consideration, because we feel that they are objectively reflective of the title of the Motion and that it will help to strengthen the Motion and send the right message, taking into consideration all the implications that are inherent in this matter. Therefore, this is for the consideration of the House. Thank you very much.
[Applause]

The Speaker: Thank you Honourable Member.

Honourable Member Mr McAllister

Mr James K McAllister: Mr Speaker, I am very pleased that all the speakers who have spoken on this Motion have expressed generous support for the Motion and indeed this afternoon, we can have a united position on the issue of our sugar industry.

I will not speak for too long Mr Speaker, but I cannot sit without making a few comments on some remarks made by the Honourable Member Mr Ramotar, but before I get there, I just wish to state that I am very pleased to have heard of the things being done by the CARICOM group and by ACP group, as reported by the Honourable Member Mr Rohee. We will hope that these efforts bear some fruit and that they can

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benefit the Guyanese people as a result. I would have hoped though, if the Honourable Minister, in addition would tell us about the efforts directly to sugar, taking cognisance of the point made by the Honourable Member Mr Khemraj Ramjattan about putting all of our eggs into the sugar basket. The Honourable Member Mr Rohee maybe could have been telling us about some of the other things that are being done within the trade arena as it relates to his involvement in the negotiations at the WTO, in relation some of the very problems that developing countries are facing in relation to tariffs and access to markets, and the efforts that are being made to really free up markets for products from developing countries like Guyana in order to make us more competitive and to increase our earnings and in some respects, to compensate for some of the things or some of the negative impacts, that can possibly flow from what ever reform the EU is going to come with. I would have liked to hear that Sir.

I also want to hear something about what is the position, as relates to the practices in some of the sugar industry that are creating problems for us, a case in point being Brazil and the violation of a lot of the labour laws and labour practices. In fact, I had hoped too that the Honourable Member Mr Komal Chand, being a trade unionist himself, would have pointed us to this, because really and truly, one of the problems that we are confronted with is that there are countries which are violating the rights of workers, paying them next to nothing, producing sugar at a very low cost and then undercutting us as a result and putting our workers in problems. These are some of the things maybe we would have liked to hear in the House in terms of how we would have been addressing these things. I am quite sure that our work in the WTO might be a topic, for further debate in the House on another occasion.

Mr Speaker, the Honourable Minister Rohee, in his presentation, mentioned the LMC report and he did say... and I am happy to learn this, that it is not an official report and that they did not accept the report. I should inform this Honourable House though, that GUYSUCO came before the Economic Services Committee and presented the LMC Report as part and parcel of the information it was working with, so I am a

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bit confused here, but I am quite happy that the Honourable Minister has clarified the situation.

Mr Speaker, the Honourable Member Mr Ramotar made a number of points and I just want to take up a few of them. He mentioned about the grim situation, but at the same time he gave us the impression that the Government has started diversifying and that a number of things are happening. In fact he painted glowing picture of the entire situation, as if to say do not worry with this EU thing, we have done enough and maybe the EU can come and do what they want, because the PPP/C Government has done so much that what ever happens the EU's impact is going to be negative. Well if that is the case Sir, maybe we should just sit down and do nothing about the situation confronting us, but I would wish to say here, notwithstanding all that is being said that maybe we need to examine this to find out if indeed it is not a little bit, a little too late. He told us, for instance, about taking over the Caribbean market and selling 100,000 tonnes of sugar in the Caribbean market at fourteen cents, when in fact we know that right now that the production is at eighteen cents. So we have that problem.

There was also a mention of cogenerations, Sir, you can remember. I am quite sure that the Honourable Member Mr Ramotar will remember that when GUYSUCO appeared before the Economic Services Committee, they did say that cogeneration is not really going to pay for itself. So when he comes to this Honourable House and say that cogeneration it is an additional revenue stream, I wonder what the basis of that information is. I just want us to ensure that we are very careful here when we are treating with information been given to the House.

Mr Speaker, the issue of the Demerara Estates is another matter that was also dealt with at the level of the Economic Services Committee when GUYSUCO appeared. One thing that was very prominent in the presentation was the whole issue of the quality of land in Demerara. We spoke at length about this, about the quality of land and the special problems GUYSUCO will encounter and the special effort they would have to make to bring yields up to the level so of that cost will be competitive

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They spoke too of the possibility at some point in time, of having to retire lands and retreating onto more arable lands and they also said that this would probably result in a cut back of production and a reduction in the operation. All that was said and so we must be genuine here Sir. When we come with a Motion like this we say that Demerara is an area in which as a nation, we have to put some emphasis and focus on and ensure that it does not go under. We must not give the impression that it does not have a problem. We have to work to ensure that we do not have problems.

Mr Speaker, I am representing Essequibo Islands, West Demerara and it is very important to note, that there are two estates there. Like I said before, there was a contradiction in what Mr Ramotar said as it relates to the Demerara Estates and the effort to increase production and productivity, because the agriculture improvement plan calls for some level of labour intensity. What is happening at Uitvlugt and at Wales? We are reducing the labour force over time and that is going to affect the entire AIP, it is going to affect productivity and in the final analysis if we do not arrest the situation, it is going to affect the entire competitiveness. So when we come here and bring the Motion, it is not merely for the Government to come to say to us that we support the Motion, because we are doing everything there is to be done, so we are happy that you have come. It is now an occasion for us to take stock and for us to say in a united manner well, okay, now we can say put politics aside. We do have to look at our left flank, nor do we have to look at our right flank on this issue, but maybe we can be able to work collectively to look and see what additionally we can do to improve the situation. That is merely what we have come here Sir, to talk about. I therefore hope that this is going to be the approach; because it is not as if there are no flaws. It is not to say that we arrived here by magic or not to say that we could not have been in a better situation. We could have been, because if we look at the situation and we understand that in 1992, Uruguay Round of Negotiations was in progress. It only started in the middle 1980s and concluded in 1994, sending a signal to us of what would have been coming, and when the WTO was established in 1995, and the agricultural agreement was in place, we had a clear signal of what was coming. There

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were countries, as early as 1996, which started to reform their sugar industry and started to look at how they could have improved production and productivity to cater for what was coming down the road. In 1996, there were countries which had started to deal with this issue to ensure that in 2005 they could have been in a situation where they could be competitive.

We have not arrived here by magic, as if everything that should have been done was done. That is not the case. Some things that we could have done we did not do, and some things we attempted to do, we did not do properly or we did not do right but that is not the issue here, because we are not here to treat with partisan political issues. We are here to ensure that collectively, we can go forward with this issue and to ensure that we can try to rescue the situation. It would appear that Members on the other side would just like to hear the glowing tributes. I should stand here to proclaim the glory of the PPP/C's effort in this area. Therefore we do not want to hear about the shortcomings and we do not want to hear of the areas where we fell down and where we allowed things to pass. The mere point I am trying to make here which the Honourable Member Mr Belgrave is having difficulty understanding is this. It is not a situation where everything that has been done, and everything that you are doing is okay. So therefore let us use this Motion as an occasion for us to work together to see how we can improve on the situation. That is all I am saying Mr Speaker, and I wish to commend this Motion to the House. I thank you [*Applause*].

The Speaker: Thank you Honourable Member, I will put the amendments first.

Amendment -

Name of Motion

For the word PREFERENTIAL substitute the word NEGOTIATED.

Mr E Lance Carberry: This is just a matter of clarification. Are the

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prices which are negotiated preferential prices? I am trying to find out whether or not the word *preferential* means that it is not *negotiated*.

The Speaker: I will ask the Minister to answer the question.

Hon Clement J Rohee: Mr Speaker, in my presentation I thought that I clarified that what we have is a preferential arrangement on the basis of the COTONOU Agreement and the sugar protocol with Europe, but so far as prices are concerned, these are negotiated.

Mr E Lance Carberry: So it is not guaranteed. It seems as if there is a contradiction with the language. It says here that *the European Union has guaranteed preferential prices*. Now if we are talking about *negotiated* prices, then we have to remove the word *guaranteed* too. You are saying that the European Union negotiated prices of sugar. If that is how we want to go, fine let us say here that is what we want to say.

The Speaker: Would you agree for the word *guaranteed* to be deleted? There seems to be a contradiction there. Mr Carberry is right.

Hon Clement J Rohee: Mr Speaker, when we speak of prices, we speak of remunerated prices. So we would not wish to have the word *guaranteed* removed, because if you remove the word *guaranteed*... We have *guaranteed* access to the EU market for our sugar on the basis of a preferential arrangement, but when we come to the price, this has to be negotiated, because you have changes in the value of the Euro, as against the US dollar and so forth, so therefore you have to sit with the Europeans and negotiate the prices, but insofar as guarantees are concerned, we are talking about a *guaranteed* access to the EU market, based on a preferential arrangement as consecrated in the sugar protocol.

Mr E Lance Carberry: It is a little unfortunate. In fact, what we should have had is an initiative for the two sides to meet and try to marry this language before we try to deal with it in this way, because if you look at the protocol, it speaks about *guaranteed* prices. That is what it says. It

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says guaranteed prices. Now what we are saying, I am not arguing, in my view preferential does not imply that it is not guaranteed; it does not imply that it is not negotiated, because the word *preferential* is used, so I am not sure. The more the Minister argues, the more the word *preferential* seems to be capturing the essence of what he is saying.

The Speaker: I have no idea. The only thing that I can do is to put the amendment.

Hon Clement J Rohee: I do not think that I can explain it further, Mr Speaker.

The Speaker: Do Members wish to have a few moments to discuss this then let me leave this amendment to the end. Let us move on to the next amendment

Amendment -

Paragraph 1 First Whereas

For the word preferential substitute the word negotiated and insert after the words it imported the words under the Sugar Protocol and for the word part substitute the word member.

Amendment Proposed

Mr E Lance Carberry: It is not that I want to dispute the thing, but I would have thought that a cleaner way for us to deal with this matter is for the two sides to meet for a short while and try to iron out the language, because really this language here... if you are saying a guaranteed, negotiated price, I am not sure what that really means, because a guaranteed price is a price that you have guaranteed. That is what you have, a guaranteed price; now the same as a preferential price.

The Speaker: I really have no idea what I should do. [Pause] Hon-

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ourable Members, I will suspend the House for five minutes to give you an opportunity to clarify these matters.

18:52H - SUSPTENSION OF SITTING

19:29H - RESUMPTION OF SITTING

The Speaker: Let us start with the heading. What was the heading proposed?

Mr E Lance Carberry: Mr Speaker, we have now agreed entirely on the wording of the Motion and I wonder whether in the interest of saving time if we could table the amendments that we have to the different clauses in the thing rather than having to go clause by clause, because we have already agreed.

The Speaker: Would you say the following words, you proposed the amendments that have been agreed to by yourself and the Honourable Member Mr Rohee for our records and then I will put the amendments as set out in the document to the House. If you say those words, I will then put the amendments to the House and then I will put the amended Motion.

Mr E Lance Carberry: You have to coach me again Sir. I did not get it quite right [*Laughter*]

The Speaker: Mr Carberry, are you proposing the amendments that have been agreed to by yourself and the Honourable Member Mr Clement Rohee, which will be printed and circulated?

Mr E Lance Carberry: Yes Mr Speaker.

Hon Dr Henry B Jeffrey: Just a point of order; as members are we not going to see these or hear what these changes were? I mean, just on principle, because you are asking members to vote on something that

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they have not seen or heard.

The Speaker: I understand that the amendments are going to be circulated.

Hon Dr Henry B Jeffrey: Are going to be...

The Speaker: ... printed and circulated. Will that be done today, this evening before we leave Mr Carberry? *[Laughter]*

Mr E Lance Carberry: That depends on the office here.

The Speaker: We will print the amendments and circulate them before you leave. This is a short cut Honourable Members. The alternative is to get Mr Carberry to go through all the amendments.

The Minister of Foreign Trade and International moved the following amendments:

Name of Motion - For the word *PREFERENTIAL* substitute the word *NEGOTIATED*

Paragraph 1

First Whereas - For the word *preferential* substitute the word *negotiated*; insert after the words *it imported* the words under the *Sugar Protocol* and for the word *part* substitute the word *member*.

Paragraph 2

Second Whereas - After the word *steep* insert the words *and rapid* for the word *preferential* substitute the word *negotiated* and after the word *countries* insert the words under the *Sugar Protocol*.

Paragraph 3

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Third Whereas - For the words *when the final price cut is made* substitute the words *if the proposed price cut is implemented*.

Paragraph 4

Fourth Whereas - For the word *lost* substitute the word *loss* and for the words *of sugar receipts annually* substitute the words *of revenue from sugar annually*.

Paragraph 5

Fifth Whereas - Delete the word *further*.

Paragraph 6

Sixth Whereas - Delete the word *also*.

Paragraph 7

Seventh Whereas

Substitute - AND WHEREAS Guyana needs an adequate transitional period to absorb the impact of loss of income from its main agricultural export and to pursue the restructuring and diversification of its economy to compensate for loss of income and bring about significant economic growth.

Paragraph 8

Eighth Whereas - AND WHEREAS Guyana needs the solid base of a successful sugar industry in wooing private sector investment in the sugar industry.

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Substitute - That this National Assembly calls on the European Union to accept the ACP countries' proposals to phase in the price cuts over a period of eight years commencing in 2008 and to cap the cut in the current price at between 16-20%.

Further Resolution - That this National Assembly calls upon the Government to embrace private sector investments.

That this National Assembly calls on the European Union to provide necessary funding in anticipation of any cuts in price to assist in the adaptation of the sugar industry to the impact of the anticipated loss of revenue.

Amendments put and agreed to.

Amendments carried

Motion as amend put and agreed to.

Amended Motion carried.

The Speaker: We can now proceed to the next item on the Order Paper

BILL - SECOND READING

ITEM 2 - GEOGRAPHICAL INDICATION BILL 2005 - Bill No. 12/2005 published on 06-07-05

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A Bill intituled, an Act to provide for the protection of geographical indication in order to fulfil the obligations of Guyana under the Agreement on Trade-Related Aspects of Intellectual Property Rights of the World Trade Organisation and related matters

The Honourable Minister of Foreign Trade and International Co-operation

Hon Clement J Rohee: Mr Speaker, as Guyana moves into the process of modernising its intellectual property rights legislation, which it has to do as a result of the obligation that we have under the World Trade Organisation and by implication the Trade Related Intellectual Property Rights Agreements, (TRIPS Agreement) we have to not only upgrade by virtue of upgrading the intellectual property rights legislation, but we need to treat with the question of geographic indications.

Now geographic indications are just one of the elements in upgrading our intellectual property rights legislation. There are a number of other pieces of legislation that we have to bring to this Honourable House, but we choose to start with geographic indications, because this is a very important matter in respect of investments and protecting certain products that are manufactured in our country, as well as ensuring our effective participation in the negotiations at the World Trade Organization.

The Geographic Indications Bill No 2005, in the Explanatory Memorandum, explains the rationale for bringing this Bill before this Honourable House. I need to explain before the House that unless we move in this direction, we face the danger of not protecting certain manufacturers of goods manufactured in our country and having a repetition of what this country or the county the Demerara went through many years ago.

Mr Speaker, a product that is produced or manufactured in a spe-

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cific geographic location, within a given geographic jurisdiction - say country - stands to benefit from huge profits, if it is properly marketed, to win or gain niches in countries where hitherto it was difficult to penetrate. In most cases this is linked to products produced from an agricultural base, but not necessarily limited to products produced from an agricultural base. The products can also be associated with the name of a country as in the case, for example, of Switzerland, where you have Swiss-made watches or Swiss chocolates, or in the case of the Belgium, Belgian cheese, or Belgian chocolates or champagne made in the province of Champagne, France and so on.

Now we need to get the legislation in place before we take the necessary steps at the World Trade Organization in terms of our obligations being honoured. In other words, let me put it this way, for us to productively participate in these negotiations at the World Trade Organization, we have to demonstrate that we have the legislation in place to protect not only our products, but also to ensure that products that are manufactured in other countries, using the names of a geographic nature, is considered an infringement or impingement of our intellectual property rights legislation.

Mr Speaker, mention was made during the debate on the earlier question on the Motion on sugar about a peculiar situation which we have in respect to Demerara sugar and here I have in my hands a of package of sugar named Demerara sugar from Mauritius and the label at the back states the following:

Now this Demerara Sugar is called India Tree Demerara Sugar and it states:

India Tree Demerara Sugar is milled on the island of Mauritius, off the coast of Africa, and retains much of the flavour typical of the cane which grows there on volcanic ash.

It goes on to say:

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Demerara refers to the place in Guyana where this type of large crystallised sugar first originated many years ago.

The question is how come Mauritius has adopted this named Demerara on this sugar? The answer to this question goes back many years ago, when in 1913, a case was brought by an appellant in a Magistrate's Court in the United Kingdom to determine the veracity or the originality of this product from Demerara. According to an extract from what is called the Law Times of a case between Anderson vs. Fletcher. Volume 110335, it explains here where this man went into this shop, he had heard that this product, Demerara Sugar, was being sold, so he went into a shop in London, purchased the sugar and then sought an answer from the shopkeeper whether this is genuine Demerara sugar. Obviously the person in the shop did his best to defend the sugar as Demerara sugar. But this person obviously either had a legitimate interest or a vested interest or he wanted to determine whether someone else had gotten the formula for producing Demerara sugar. So the matter was tried in the Magistrate's Court, because in those days things like these did not go to the High Court and what the judge eventually ruled on was that this Demerara sugar is a generic product produced as a result of a process by which molasses is added to the crystal, thus making it this colour. The case brought by the appellant was dismissed based on the grounds that in any country, once that process is used, it does not necessarily have to be produced in the county of Demerara, in the then British Guiana, to have been named Demerara sugar. So since that time we have no government records to show that efforts were made to recapture this geographical indicator, namely Demerara sugar. It was never challenged - now that we have intellectual property rights legislation and we have the TRIPS Agreement, the possibility exists... I am not saying this exists, given the nature of the negotiations that are currently taking place to the World Trade Organization, to include new products for recognition by other countries.

Now in the negotiations that are currently taking place, one of the issues being negotiated is what is called a claw-back agreement - that is to say to recapture brands which have been produced in other coun-

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tries, thus depriving the country which has originally manufactured of very important revenues, because if you have a product for example Havana cigars that are manufactured in another country, using the name Havana cigars, not the genuine Havana cigars, but being sold under the geographic indication of Havana cigars, it means that that country is losing revenues, which it would have gained had the other country not... and I do not want to use the word *stolen - infringed* on that right or encroached on that right, thus denying the country from where it had originated - the source from which it had originated.

In the negotiations that are currently taking place, one of the issues that is under negotiations is precisely this claw-back agreement, because Europe for example which is driving these negotiations, they have lost the names of a number of products that are being manufactured in other countries.

Now in Guyana we have Demerara rum and we have the name El Dorado on many products. In our consultations with some of these manufacturers, they need the protection of these names of these products lest they be manufactured or a similar product being manufactured in another country and given that name, which would mean that that enterprise here in Guyana would lose that geographical indicator, which is very important. I am sure that you will appreciate that the name of a product, I am not talking about the brand, because branding is different from geographical indication. The name of this product carries with it a certain value and once you do not protect or defend that product, you therefore lose not only the product, but the revenues accruing from the product.

Basically, what we are seeking to do here is to put our intellectual property rights legislation in order, so that products manufactured in Guyana, now and in the future, could be protected with the enactment of this legislation, taking into consideration the current negotiations that are currently taking place at the World Trade Organisation. In fact, it is an obligation that we have. We have signed on to the Uruguay Round Negotiations. We are a member of the World Trade Organisation. We are

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signatories to the TRIPS Agreement, and therefore, if we do not enact this legislation, then we are in violation of our obligations under the WTO and it means that on one hand, we are not in a position to protect and defend anything. On the other hand, other countries are free to capture these names and use them as they wish, thus depriving Guyana of very important revenues and resources et cetera.

Mr Speaker, that is my introduction to the Bill that is before us. Thank you. *[Applause]*

Question proposed

The Speaker: Honourable Member Mrs Backer.

Mrs Deborah J Backer: Mr Speaker, there is no doubt that geographical indicators are important in a modern world. Having said so, what I found very revealing is that I carried out a little sampling - a little test - during the last few days in court and you maybe surprised to know that without exception, all the lawyers that I spoke to thought that geographical indication had something to do with geography. They thought that it had to do with markings of the country and something like that; so it is a very *[Interruption: 'You speak with Ramjattan]* I did not speak with Mr Ramjattan, but it is a new area.

We in the PNC/R have no problem with forward-looking legislation. I would want to say that this is a forward-looking piece of legislation. I would like to draw a few things to the Minister's attention.

He did speak very frankly about our obligations under the WTO and the TRIPS Agreement and so on, but when one looks at the Bill, Clause 1 states:

This Act may be cited as the Geographical Indications Act 2005 and shall come into operation on such date as the Minister may, by order, appoint.

Now if we so want to do this thing then let us bring it into force

now. In looking through the Bill, I noticed as is customary that the regulations are provided for in the last clause - Clause 26 and I wondered if that is the reason for us not just leaving it, because once you do not put a commencement date, the law is that it comes into force when it is gazetted. So we have the Minister saying that we need this Bill to protect our products. He spoke about El Dorado, he spoke about Demerara rum and perhaps there might be a few others if we can think about it, and he said that we need to do that to protect, and we also need to do it to fulfil our international, multilateral and trade obligations. But yet we see that it is here, but we do not know when it would come into force, and I hope that this is not going to be a prop, and that we will see this Bill being given life in a very short while.

One of the other points I want to make is that Clause 26, as I said, speaks about regulations - the Minister may make regulations - the usual clause, but dotted throughout the Bill is the need for regulations, for the registrar shall do so, so. If I could just read Sub-Clause 11(e)

the quality, reputation or characteristic of the goods in respect of which the geographical indication is used, and shall be accompanied by the prescribed fee.

That has to come in the regulation.

Sub-Clause 13 (1) speaks about if *it does not comply with certain sections ... and the regulations* and you can see reference to the regulations again in Clause 19. The point I am making... I am just flagging the facts that as we seek to actually bring it into force by an order, for it to have real meaning, the regulations will also have to come into force. I would say at the same time or very shortly thereafter, because even if you bring the Act into force and they do not have the legislation, the Act will be hampered, because a lot of things that the Registrar has to do refer back to the need for her to comply with regulations. She cannot comply with something if it is not there.

Another concern that we have is putting more work on the Regis-

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trar. It is a new area and I am sure that the Honourable Minister and the Government would have thought that we would have to have some appropriate training, because of course the Registrar of Trademarks, patents and now we are putting on geographical indications and of course, the other work that the Registrar would have to do. So I just want to flag the fact that we are putting more - not burden - but more responsibility on an office and I just want to flag the fact that we need to make sure that that office has the capacity to carry out these new functions.

I was very glad to hear the Honourable Minister speak about... this is an aspect of intellectual property protection, because in fact, what concerns us is the very archaic and if I daresay irrelevant legislation that we now have on copy rights. I want to suggest, is perhaps even more relevant - not playing down the importance of geographical indications as a protection of intellectual property, but copyrights. Just to remind the House, copyrights would cover all literary work; artistic work which includes novels, poems, plays, musical works, et cetera. I am seeing the Minister wearing (I always have to be careful which hat she is wearing) the hat I suppose of the Minister of Culture and not the Minister of Home Affairs not in approval. The fact is, we now have budding local artistes, we have First Born, we have people writing, Mr Bernard is an author and I am sure that there are people on the other side who are ... the Honourable Members and Ministers Dr Bisnauth and Mr Rohee. There are other people who have written books, so it goes on and on. They need protection. I am sure that this may surprise some members of the National Assembly. what I found interesting is that there are five wars of globalization.

This is not necessarily in order of priority;

- trafficking in drugs;
- trafficking in arms;
- trafficking in persons - alien smuggling;

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- money laundering; and
- intellectual property theft.

Those are the five global wars that have been identified. I am reading here from the Foreign Policy Magazine the - January/February 2003 edition and this is what it says - and this I think surmises how critical it is for us to have, closely following on the heels of this Act, a repeal and modernization of our Copyright Act, in fact, during the ten minutes recess. which was extended. because of our two colleagues as they sought to get compromise, I was speaking to Minister Shadick, and she was telling me that she was reading the sixth book of the Harry Potter series - Harry Potter and the Half-Blood Prince - not during the sitting, [*Laughter*] during the recess, and we exchanged some pleasantries and we were remarking on the fact that, within a day or two of Harry Potter going out it was on the net. It was being pirated and it was on the net. This is from the article I just spoke:

In 2001, two days after recording a voice track of a movie in Hollywood, actor Dennis Hopper was in Shanghai, where a street vendor sold him an excellent pirated copy of the movie with his voice already in it.

And it goes on to speak about how many millions the US and the world at large loses. The movie had not even come out in the States. He had just made it and gone to Shanghai for a holiday and he was able to buy it before it was released in the States. That is the level. We know that when we photocopy materials, we are breaching copyright. So we would hope that there are sufficient local budding artists in Guyana who need the protection of a modern Copyright Act and as I said we look forward to it. This is another very important aspect of intellectual property and the protection therein.

Mr Speaker, just before I sit, we have heard a lot, even in the other Motion about niches and creating a niche market whether it is agro, aqua farming or whatever. The music industry and other such industries,

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where protection of intellectual property is critical, is a very, very fast growing industry. If we look at Barbados, in an informal conversation I had with someone who is in the music industry, he thought of perhaps setting up a studio here, but was concerned about copyright protection and there is no such protection. So I am making the point to say that it is important and it is another market. If we can show to the world that we have good copyright protection and that their intellectual property is safe here it is another area. I think it was Mr Dev, who spoke about weight - the more the weight of your product, the less you get for it and copyright is absolutely no weight. So it follows that it should be a very important area that we need to protect.

Mr Speaker, it is true and the big countries like India and so, which were well known for copyright infringement, they are all moving to implement modern legislation and while Guyana must take credit for being the first country in CARICOM, as far as I have been able to discern, that has moved in this way of geographical indications and protecting it, several other countries already have modern copyright laws and they include Jamaica, Trinidad, even St Vincent. I think the most comprehensive one is in Barbados, which is a 1998 Act.

Mr Speaker, before I take my seat, I just want to say that we would want to encourage the Government, as they set about their legislative agenda ... if we can strive ... I want to challenge them to strive for more cohesion in how Bills are presented. You have presented the Geographical Indications Bill, but you are not sure when it is going to come into force and then perhaps next year, you will come with the Copyrights Bill. We are saying that these rafts of legislation should come either simultaneously or shortly thereafter. So we want to encourage the Government that, if we are looking at intellectual property, even if they have to come under separate Bills, we have no quarrel with that. Let us try to bring them together, rather than have one now; then next year we may have another one; elections coming, we may put another one and so on. As I said, I think it is the beginning of a good thing and we look forward to not only a new Copyright Act, but also the modernisation of our Trade-marks Act, as well as our Patterns and Design Act that respectively,

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were passed into legislation in 1956 and 1938. So we are looking forward to their modernisation, and the Copyright Bill coming closely on the heels of this Geographical Indications Bill.

With those few words, I am happy to say that the PNC/R supports this Bill wholeheartedly. *[Applause]*

The Speaker: Thank you Honourable Member.

Are there any other Members from the opposition benches, Mr Carberry?

The Honourable Minister of Foreign Trade and International Co-operation

Hon Clement J Rohee: Mr Speaker, I would like to thank the Honourable Member for those constructive suggestions and comments and I wish to assure the Honourable House that this provision treating with the date by which this Act should come into force, the formulation here was not in any way meant to imply delay as such, and we could very well have a situation where the Order and the Regulations are laid at the same time in the House for a neatness of arrangement.

The second point which I would like to make is, yes, I agree. In fact, it is our intention to deal with intellectual property rights legislation as a package, but as you know, our Chief Parliamentary Counsel has quite a lot of work and we are in the queue, so to speak.

Indeed, we have already begun work on the draft legislation on copyright laws and this is expected to come before this Honourable House before the year is out.

We have also begun work in drafting the Industrial Property Legislation dealing with patents and so forth. Incidentally the Copyright Legislation is based on the Barbadian and other CARICOM countries legislations for the purposes of harmonisation. In fact, this is critical, in

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the context of the CARICOM Single Market and Economy, because it means that intellectual property rights legislation in each CARICOM country, in the context of the CSME, has to be harmonised as such.

Yes, on the question of capacity-building within the Deeds Registry, we have already initiated technical assistance from the World Intellectual Property Organisation (WIPO) based in Geneva to assist the Deeds Registry in upgrading its facilities and particularly in computerising the Deeds Registry to facilitate this work. In fact, capacity building and training are very important and together with the AG's Chambers, which is the implementing agency for Intellectual Property, we have been working very closely with them to facilitate the training of many of the Officers in the AG's Department, as well as the Deeds Registry, to go to courses and many other activities - workshops and so on, treating with upgrading and capacity-building - both in the AG's Chambers and the Deeds Registry Department and WIPO is assisting us in that respect.

Mr Speaker, that is basically what I wish to say on this matter, and to conclude by saying that it seems to me that we are on track with upgrading the Intellectual Property Rights Legislation, something that is long overdue and on which I agree with the Honourable Member that many young budding artists and so on have been clamouring for it. Minister Teixeira, as the Minister of Culture, has also been working along in this direction, as well as the Attorney General. I wish to move that the Bill be read a second time. Thank you very much. *[Applause]*

Question put and agreed to.

Bill read a Second Time.

IN COMMITTEE

The Chairman: I understand there are no amendments, you will permit me to shorten the procedure to take the clauses together.

Clauses 1 to 26

Clauses 1 to 26, as printed, agreed to and ordered to stand part of the Bill

Assembly Resumed

Bill reported without amendment, read the Third time and passed as printed.

MOTION

ITEM 3 - CONFIRMATION OF THE AUDIT REGULATIONS 2005

BE IT RESOLVED:

That this National Assembly, in accordance with section 11(4) of the Audit Act, No. 5 of 2004, confirm the Audit Regulations 2005 (Regulations No. 4 of 2005), which was made on 30 May 2005, under Section 11(1) of the Audit Act, No. 5 of 2004, and published in the Official Gazette dated 30 May 2005.

The Speaker: I understand that the Honourable Member Mrs Volda Lawrence will proceed in Mr Murray's place.

Mrs Volda A Lawrence: Mr Speaker, on behalf of the Chairman of the Public Accounts Committee, I beg to move the Motion standing in his name.

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Mr Speaker, we are all aware that change is inevitable. One of the many attributes to any institution's success is the provision of well-established standards and guidelines. Today, this National Assembly seeks to provide our Auditor General with a very important instrument, which will go a far way in stimulating many successes for this vital and important office, which is critical for this National Assembly to discharge its oversight responsibilities to ensure accountability and transparency of governmental actions.

Since the Auditor General's Department serves the public interest by providing information, analyses and recommendations, the Rules Policies and Procedures Manual seeks to remove the bureaucratic managerial constraints, thereby giving the Auditor General wider scope to conduct and promote the management of its affairs.

Having taken the aforementioned into consideration, the Public Accounts Committee carefully considered the draft Regulations, and the final version for the making of the regulations was only accepted after extensive revisions to the draft by the consultant.

However, it is noted, on this side of the House, the unacceptable inclusion of the Office of the Auditor General as a budget agency in the Fiscal Management and Accountability Act 2003, totally disregarding the status outlined in Article 223 of the Constitution of Guyana. This undermines the Rules Policies and Procedures Manual, laid in this Honourable House.

Mr Speaker, a more stimulating aspect of this regulation is outlined on Page 5, Paragraph 2, captioned *Finance and Budget*. Under Article 222A of the Constitution, the Auditor General's expenditure is to be financed as a direct charge on the Consolidated Fund. The Auditor General, having prepared his Department's annual budget, work plans and programmes, will now submit these to the Public Accounts Committee for endorsement and the Minister of Finance is then obligated to include in the annual budget a subvention for the Audit Office. This is a most welcome feature for the Auditor General, for Page 6, Paragraph

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3.2 of the manual indicates that Guyana can move away from the many autocratic ways in which we operate our various governmental institutions to that of generally-accepted principles and standards. We can, without causing any harm to ourselves, implement the many changes outlined in the Constitution as is done in this section of the Rules, Policies and Procedures Manual.

Allow me to read the second paragraph of 3.2:

In accordance with Article 223 of the Constitution, the Public Accounts Committee will exercise general supervision over the functioning of the Audit Office, including the functions of the Auditor General, in accordance with the Rules, Policies and Procedures Manual and any other law.

I recall the Auditor General provides the Public Accounts Committee with the draft manual comprising four large volumes labelled:

- Volume I - Regulatory Structure, Systems and Operations;
- Volume II - Manual describing Job Evaluation Procedures;
- Volume III - Job and Position Descriptions for Audit Office; and
- Volume IV - Performance Appraisal Manual.

The Public Accounts Committee, after several months of queries and questions, finally approved the Manual. The Manual forms part of these regulations and I may not be wrong to say, the whole regulations.

The other aspect of the Constitution, which I would like to draw to your attention is Article 223 (6), which states:

The Auditor shall prepare and submit to the Public Accounts Committee reports on a quarterly basis on the per-

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formance and operations of the Office of the Auditor General.

The Public Accounts Committee must now be informed on a quarterly basis on the performance and operations of the Office of the Auditor General and since the meetings of the Public Accounts Committee are open to the public, it means that the public will be kept up-to-date on the performance of that office.

Mr Speaker, the People's National Congress/Reform believe in change and throughout our existence, we have served as agents for positive change in Guyana. We believe that other agencies, set out in the Constitution must be given the same opportunity and tools to perform their duties as envisaged by the Constitution.

We, the People's National Congress/Reform, therefore take pride in submitting the Audit Regulations No. 4 of 2005 for the approval of this National Assembly. Thank you. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mrs Chandarpal

Mrs Indranie Chandarpal: Mr Speaker, the Audit Act of 2004 set out the responsibilities and authorities of the Auditor General and these are as follows:

- To strengthen Parliamentary oversight over the work of the Auditor General;
- To provide for the establishment and administration of an independent Audit Office; and
- To regulate such other matters connected with or incidental to the independent finding, auditing of the financing of Guyana.

Section 2 (11) (i) of the Act refers to regulations which states that the

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Auditor General may, with the approval of the Public Accounts Committee make regulations for the administration of this Act.

Without prejudice to the generality of Subsection (i), such regulation may include a Rules Policies and Procedures Manual regarding the management and operations of the conduct of audit by, and the standards by, which such audit shall be conducted by the Audit Office.

The document you have in front of you is a comprehensive one which provides the benchmark for the regulatory structure, systems and operations.

Mr Speaker, the Public Accounts Committee was tasked with the responsibility of perusing the Manual and in keeping with our mandate we examined in a very detailed way, the various recommendations to ensure that they were in sync with what we want in Guyana and that it did not collide in any way with any of our laws.

There is a statement on Page 2 of the document under the caption *Purpose of the Rules Policies and Procedures Manual*, which I would like to quote:

The Manual seeks to bring to the Audit Office a new and dynamic dimension to the management of its human, financial and material resources.

Page 6 Paragraph 3.2 refers to the relationship of the Public Accounts Committee to the Audit Office, and it clearly spells out the role of the PAC in exercising general supervision over the functioning of the Audit Office including the functions of the Auditor General and in accordance with the Manual.

Mr Speaker, I wish to direct your attention to Paragraph 4.11 on Page 17, dealing with the investigation of fraud. This section allows for the setting up of a special investigation unit within the Audit Office to deal with issues of fraud. This unit shall engage officers and employees, specially trained in investigating fraud and corruption and familiar with the

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standards of criminals as well as audit evidence.

A matter which is of concern to the Public Accounts Committee is the inordinately long time for matters of impropriety and fraud to be brought before the courts. There are situations where public officials are sent home for alleged infractions and their positions cannot be filled because their cases are in limbo. However, they continue receiving their salaries and their positions are often not filled. Often times the legwork that is needed to follow up with these cases is not done in a timely manner. Therefore, this Section is endorsed wholeheartedly.

The other Section which I would like to bring to your attention is Paragraph 5.16 on page 28, relating to the power to inspect bank accounts. This Section gives power to the Auditor General for the purpose of the discharge of his functions and it states that the Auditor General may examine or audit the accounts of any person in any bank, if the Auditor General has reason to believe that money belonging to a public entity has been fraudulently or wrongfully paid into the account of such persons. There are three prescribed conditions for doing so. Again, these are spelt out on Page 28.

Page 55, Paragraph 10 refers to the Conflict of Interest Code and I wish to refer to the objectives of the Code that seeks to do the following:

- To sustain and enhance public confidence in the integrity, independence and competence of the Audit Office, its officers and employees through :
- Employment of suitably qualified and trustworthy personnel;
- Ensuring that employees can conduct their audits objectively and report findings, opinions and conclusions without fear of any type or degree of repercussion;
- Provision of safeguards against real potential or perceived conflict of interest and provision of guidelines for resolving

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any conflict of interest which may arise.

I wish to draw your attention to Page 83, Paragraph 50 Disciplinary Action - General Principles pertaining to employees of the Audit Office. Page 85 deals with the type of misconduct to which suspension may apply with immediate effect. These include:

- Theft;
- Fraud;
- Falsification of documents;
- Suppression of documents;
- Serious violation of legislations, rules and relevant regulations;
- Violent and abusive behaviour on the job, alcoholic or drug related conditions on the job;
- Gross insubordination;
- Other acts of gross dishonesty;
- Sexual harassment; and
- All other forms of discrimination.

Mr Speaker, the Manual provides the enabling tool for the Audit Office and with its implementation, we can all look forward to a more professional and efficient Audit Office. The search for continuous good governance and accountability in all spheres of government work will definitely be enhanced by this document which is in front of us.

It is my pleasure to second the Motion confirming the Audit Regulations of 2005 and at the same time, I wish to acknowledge the presence of the Consultant, Jones Associates, as well as the Auditor General (Acting), and the

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Assistant Auditor General, who have been here with us since two o'clock.
I thank you. *[Applause]*

The Speaker: Thank you Honourable Member

The Honourable Member Mrs Lawrence

Mrs Volda A Lawrence: Mr Speaker, I move that the Motion before us be adopted.

The Speaker: Thank you Honourable Member.

Question put and agreed to.

Motion adopted.

ITEM 1 - MOTION - EUROPEAN UNION GUARANTEED PREFERENTIAL PRICES FOR SUGAR (Revisited)

Honourable Members, subject to one minor issue, this would bring us to the end of our business. The amended Motion is now circulated, and I would like all Members, particularly the Honourable Member Dr Jeffrey, to have it before we leave. Is this what the Honourable Members have agreed to? Can I ask the Honourable Members Mr Rohee and Mr Carberry if this is the correct document?

Mr E Lance Carberry: Mr Speaker, it seems as though we were amending an original Motion and it seems as though one of the clauses in the Motion has been overlooked. We have not addressed that, because I was working on the assumption that we have agreed on all of the clauses, but it seems as though Minister Rohee had a different understanding.

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There was one clause, and it is a simple clause.

Mr Clement J Rohee: Which Clause:

Mr E Lance Carberry: It is the first of the BE IT FURTHER RESOLVED Clause in the original Motion and it says:

That this National Assembly urges the Government to institute a comprehensive programme of diversification of the economy both, within the traditional sectors and into non-traditional sectors;

Which, I did not see that it was in any way accusatory or anything like that, so my understanding is that we have agreed on that, but Minister Rohee said that he did not understand that.

The Speaker: Thank you very much Honourable Members. It is a bit too late for us to return to that. The Motion is already passed, and the amendments are also passed.

Thank you very much Honourable Members.

The Honourable Minister of Parliamentary Affairs

Hon Reepu Daman Persaud: Mr Speaker, I move that this National Assembly stands adjourned to a date to be fixed.

The Speaker: The National Assembly is so adjourned.

Adjourned Accordingly 20:29h