Restructuring the sugar industry of Trinidad and Tobago
Accompanying the ending subsidy for sugar production

"Restructuring the sugar industry was not easy. The EU by bringing their expertise and their assistance revealed to us that we also had to look at the broader community impact. Additionally, there was a more structured, planned approach which gave us a better sense of direction."

Deosaran Jagroo, CEO, Caroni 1975 Ltd.

Context

For more than 30 years, Trinidad and Tobago enjoyed preferential treatment from the EU in the trade of cane sugar through the so-called Sugar Protocol. As a result of this arrangement, the price at which sugar was sold into Europe was considerably higher than that it could be traded on the world market. In 2003, with production costs for sugar in Trinidad and Tobago among the highest in the world, the government began restructuring the sector. In May 2008, the government approved a national sugar adaptation strategy to close down the state-owned sugar company Caroni (1975) in response to the EU decision to cut European subsidy.

Objectives

- Diversify and develop the economic base of formerly sugar-dependent areas.
- Mitigate social and environmental impact of the reform.

Impact

- 2 critical studies on the sugar industry completed – a Strategic Environmental Impact and a socio-economic baseline study of the sugar related areas.
- More than 2.500 Ex- Caroni employees re-trained.
- 17 agricultural estates, 30 residential estates and 10 industrial estates developed on lands formerly under sugar cultivation.
- Pension plan for all Ex- Caroni employees established.