

# GRAIN SA ANNUAL CONGRESS 8 MARCH 2017

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agriculture,  
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Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

# CURRENT TRADE

## GRAINS AND PRODUCTS OF THE GRAIN INDUSTRY

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	Rand Million					
PRODUCT	2011	2012	2013	2014	2015	2016
<b>PRIMARY</b>						
Export	14 284	11 643	12 564	7 712	4 977	6 498
Import	18 071	26 557	15 387	9 550	14 154	20 250
<b>PROCESSED</b>						
Export	4 742	6 595	5 869	4 172	5 181	6 178
Import	4 393	6 481	4 116	2 641	3 308	3 765

## THE GLOBAL DYNAMICS AND THEIR INFLUENCE ON TRADE

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- ❑ BACKLASH ON BILATERAL AGREEMENTS
  - US PRESIDENT VIEW MORE PROTECTIONIST
  - NORTH AMERICAN FREE TRADE AGREEMENT
  - TRANS PACIFIC PARTNERSHIP AGREEMENT
- ❑ BACKLASH ON THE MULTILATERAL TRADING SYSTEM
- ❑ BREXIT
- ❑ SLOWDOWN IN WORLD ECONOMIES
- ❑ LOWERING OF TARIFFS – INCREASE IN SPS, TBT
- ❑ THE FOURTH INDUSTRIAL REVOLUTION
- ❑ GROWTH IN DIGITAL TRADE AND USE OF ROBOTS
  
- ❑ MEANS OF MARGINALIZING SOUTH AFRICA AND THE AFRICAN CONTINENT

# MULTILATERAL TRADE RULES

## WORLD TRADE ORGANIZATION (WTO)

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- MARAKESH AGREEMENT – 1995  
RULES FOR REMEDIES AGAINST DUMPING,  
COUNTERVAILING MEASURES, AND SAFEGUARDS  
(INCLUDING SPECIAL AGRICULTURAL SAFEGUARD)  
DOMESTIC SUPPORT DEFINED AND PUT UNDER  
DISCIPLINES
- AGRICULTURE COMMITTEE – IMPLEMENTATION
- SPS COMMITTEE – IMPLEMENTATION
- DISPUTE SETTLEMENT

**MARKET ACCESS QUOTAS – ARE WE USING THEM?**

# MULTILATERAL TRADE RULES WORLD TRADE ORGANIZATION (WTO)

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- DOHA DEVELOPMENT AGENDA NEGOTIATIONS
  - STARTED IN 2001 – NOT YET COMPLETED
- **MINISTERIAL DECISIONS**
  - ELIMINATION OF EXPORT SUBSIDIES
  - TRADE FACILITATION AGREEMENT
  - PUBLIC STOCKHOLDING FOR FOOD SECURITY PURPOSES
  - SUPPORT TO THE COTTON INDUSTRY

## **MINISTERIAL CONFERENCE DECEMBER 2017**

GLOBAL CHANGES WILL INFLUENCE WTO  
PRESSURE FOR THE INCLUSION OF NEW MATTERS e.g.  
E-COMMERCE

## REGIONAL INTEGRATION

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- ❑ GOVERNMENT PRIORITY IS TO LOOK AT REGIONAL MARKETS FOR OUR PRODUCE
- ❑ ENSURE AN AFRICAN VOICE IN THE MULTILATERAL TRADE ARENA – WTO

SOUTHERN AFRICAN CUSTOMS UNION (SACU)

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

COMMON MARKET FOR SOUTHERN AND EASTERN AFRICA (COMESA) / EAST AFRICAN COMMUNITY (EAC) / SADC  
TRIPARTITE FREE TRADE AREA (TFTA)

CONTINENTAL FREE TRADE AREA (CFTA)

# REGIONAL TRADE AGREEMENTS

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## SACU

FREE MOVEMENT OF PRODUCTS

COMMON EXTERNAL TARIFF

CHALLENGES: REBATES

INFANT INDUSTRY PROTECTION

MARKETING ARRANGEMENTS

## SADC

PREFERENTIAL ACCESS

CHALLENGES: ROLL BACK ON COMMITMENTS

SA/ZIMBABWE BILATERAL

REGIONAL VALUE CHAINS

VALUE ADDITION

## REGIONAL TRADE AGREEMENTS

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### TRIPARTITE FREE TRADE AREA

FRAMEWORK AGREEMENT AGREED – LAUNCHED

RULES OF ORIGIN

TARIFF NEGOTIATIONS      EAC AND EGYPT

AQUIS

INDUSTRIAL DEVELOPMENT – VALUE CHAINS /  
INFRASTRUCTURE

### CONTINENTAL FREE TRADE AREA

TFTA BUILDING BLOCK

RULES OF ORIGIN

TARIFF NEGOTIATIONS



## SADC / EU ECONOMIC PARTNERSHIP AGREEMENT

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### SADC / EU ECONOMIC PARTNERSHIP AGREEMENT

#### IMPLEMENTED – DECEMBER 2016

SA – ZERO TARIFF EXCEPT WHEAT, WHEAT FLOUR

IMPORT QUOTAS	– WHEAT	360 000
	- BARLEY	10 000
	- CEREAL BASED FOOD	2 300

EU – TARIFFS: CHAPTER 10 – ZERO (Excluding Rice)

CHAPTER 11 – ZERO (Excluding, maize flour, pellets of maize, flaked maize, starches of wheat maize and rice)

CHAPTER 19 – Highly protected.

AGRICULTURE SAFEGUARD

## SACU – ECONOMIC FREE TRADE ASSOCIATION (EFTA)

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- THREE BILATERAL AGREEMENT ON BASIC AGRICULTURE
- OVERALL AGREEMENT THAT INCLUDES PROCESSED AGRICULTURE – AGREEMENTS UNDER REVIEW
- SACU WILL NOT GIVE MORE THAN IN THE EPA TO EFTA

SA TARIFFS - CHAPTER 10 ZERO (excl. wheat, grain sorghum)  
CHAPTER 11 Zero or low with exception of lines classified as “other”

EFTA TARIFFS - CHAPTER 10 Zero except for use as animal feed  
CHAPTER 11 Zero except for use as animal feed.

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## SACU – INDIA PREFERENTIAL AGREEMENT

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- LIMITED PRODUCTS
- INDIA REQUEST LIST – SACU RESPONDS VERY LOW AMBITION
- SACU TO RE-EVALUATE ITS POSITION – RECOMMENDATION TO GO TO COUNCIL OF MINISTERS.

## SACU – MERCOSUR PREFERENTIAL TRADE AGREEMENT

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### ❖ LIMITED PRODUCTS

- ❖ SACU
  - TARIFFS
    - CHAPTER 10 (zero excl. wheat, grain sorghum)
    - CHAPTER 11 (mostly zero)
    - CHAPTER 19 (all tariffs– some high)
  - IMPORT QUOTAS – None in the grain sector

- ❖ MERCOSUR – TARIFFS
  - CHAPTER 10 (some preferences for buckwheat)
  - CHAPTER 11 (other tariff line 50% preference margin)
  - CHAPTER 19 (tapioca and substitutes therefor 50% preference margin)

# UNITED STATES AFRICA GROWTH AND OPPORTUNITIES ACT (AGOA)

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- AGOA EXTENDED FOR 10 YEARS
- **NUMBER OF AGRICULTURE PRODUCTS INCLUDED – UTILIZATION?**
- ANNUAL REVIEWS – OUT OF CYCLE REVIEW FOR SA
- REVIEW COMING UP IN THE NEAR FUTURE
- THE NEW PRESIDENT'S VIEW ON AFRICAN NOT YET CLEAR.
- UNITED STATES IS SEEKING A RECIPROCAL AGREEMENT TO GET THE SAME ACCESS AS THE EU INTO SACU

## NEW MARKET OPENING

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- ❖ MARKETING/PROMPTION OF SOUTH AFRICA'S PRODUCTS VERY IMPORTANT
- ❖ CONSISTANCY IN SUPPLY
- ❖ QUALITY PRODUCTS
  
- ❖ MARKET ACCESS RESTRICTED DUE TO SPS MEASURE
- ❖ MARKET ACCESS RESTRICTED DUE TO TARIFFS
  
- ❖ **SOUTH AFRICA/SACU**
  
- ❖ AFRICAN CONTINENT A PRIORITY
- ❖ SACU TRADE AGENDA OVERLOADED.

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**THANK YOU**

