



Customs Duty and Market Access Project of Milk SA

(PRJ-0142-2017)

SAMPRO: Customs Duty and Market Access

Quarter 4 2017 (October 2017 till December 2017)

Project goals

Goal 1 - Bilateral and Multilateral Trade Agreements and Negotiations

Achievements

The Continental Free Trade Area (C-FTA)

During the last quarter of 2017 representatives of the various African states have been in discussion and negotiations to establishment and roll out of the Continental Free Trade Area (C-FTA). The agreement will form a single continental market for goods and services. A new C-FTA will bolster the links between 54 nations - but significant progress still needs to be made before it becomes a reality.

The objectives of C-FTA

The main objectives of the C-FTA are to create a single continental market for goods and services, with free movement of business persons and investments, and thus pave the way for accelerating the establishment of the Customs Union.

It will also expand intra-African trade through better harmonization and coordination of trade liberalization and facilitation and instruments across the C-FTA. The C-FTA is also expected to enhance competitiveness at the industry and enterprise level through exploitation of opportunities for scale production, continental market access and better reallocation of resources.

Current progress

Negotiations for the establishment of the C-FTA were officially launched in June 2015, with the stated aim of reaching a final agreement by 2018. Although it is not yet known whether this target will be met, concrete progress continues to be made.

Between June 2015 and June 2017, the Continental Free Trade Area Negotiating Forum (C-FTA-NF) has held six meetings discussing draft modalities for negotiations on tariff liberalization and trade in services, while the C-FTA Technical Working Groups held their first meeting in February 2017 to create an overview of the draft legal text and appendices.

At the most recent C-FTA-NF meeting earlier in October 2017, it was agreed that 90 per cent of tariff lines for goods will be liberalized. Although further work is still needed to establish the new tariff schedules and exclusions, as well as to devise a strategy for approaching rules of origin, trade remedies, customs cooperation and trade facilitation, talks continue to move forward.

Additional rounds of negotiation took place towards the end of the year and the African region are hoping that further progress can be achieved, and that C-FTA can become a reality in 2018.

It should be noted that the position of the Customs Duty and Market Access Project on behalf of Milk SA during discussions in the Agricultural Trade Forum (ATF) of the Department of Agriculture, Forestry and Fisheries (DAFF) is that the rule of origin should only make provisions for duty reductions if a specific agricultural product is wholly obtained (produced in) from the member countries.

No Non-achievements / underperformance has been reported

Goal 2 - Export Certification

Achievements

Perishable Product Export Control Board (PPECB)

A team of experts has been selected to revisit the Standard Operations Procedure (SOP) and to find solutions for the problems experienced by the dairy industry as far as inspections and certification of product composition is concerned. A discussion with PPECB regarding the finalisation of the SOP and the fees structure took place on 22 March 2017. The Standards and Regulation Project of Milk SA reported at the end of November 2017 that an agreement have been reached between the dairy industry, the Department of Agriculture, Forestry and Fisheries (DAFF) and PPECB on the SOP. The agreement and SOP will be implemented in 2018.

No Non-achievements / underperformance has been reported

Goal 3 - Import Monitoring and liaison with ITAC

Achievements

The following monthly and quarterly reports were submitted to the Customs Duty and Market Access Project and the Industry information Project of Milk SA.

Monthly statistics January to October 2017

Quarterly reports for the periods:

January to December 2016;

January to March 2017;

April to June 2017; and

Statistics for the period July to September 2017 have been received and the report will be released asap.

There was no liaison between the project and ITAC during the fourth quarter of 2017

No Non-achievements / underperformance has been reported

Goal 4 - Animal Health Forum

Achievements

The project manager participates in the meeting of the Forum and focus on trade related issues Bovine brucellosis, one of the notifiable diseases of the OIE, has been identified by DAFF as a pilot project with the aim to eradicate/limit the existence of diseases as soon as possible. The Animal Health Forum has done a continuousness campaign amongst the private veterinarians in this regard.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	Customs.pdf
Unnecessary spending during period	No

Popular Report

[Project 4 th qtr pop report.doc](#)

Additional documentation

No file has been uploaded

Statement

Levy funds were applied only for the purposes stated in the contract	Yes
Levy funds were applied in an appropriate and accountable manner	Yes
Sufficient management and internal control systems were in place to adequately control the project and accurately account for the project expenditure	Yes
The information provided in the report is correct	Yes