



Customs duty and market access project

(PRJ-0192-2018)

SAMPRO

Quarter 2 2018/2018 (April 2018 till June 2018)

Project goals

Goal 1 - Actions relating to multilateral trade relations

Achievements

Request administrator to remove this goal, as its already included in goals 2 to 4

No Non-achievements / underperformance has been reported

Goal 2 - Actions relating to Africa trade relations

Achievements

In 2018 the focus on trade negotiations will shift from negotiations with first world countries to trade within the Africa continent. The focus will be on three sets of free trade areas namely: The Continental Free trade Area (C-FTA) with includes 54 African countries; The Tripartite Free Trade agreement (T- FTA) which include some trade blocks within Africa; and Zimbabwe that asking for a special derogation.

Aspects such as market access, scaling down of import tariffs and rules of origin should be handled with caution not to be flooded by cheap import and highly subsidised dairy products caused by government intervention. Aspects such as market access, scaling down of import tariffs and rules of origin should be handled with caution not to be flooded by cheap import and highly subsidised dairy products caused by government intervention.

No Non-achievements / underperformance has been reported

Goal 3 - Actions relating to Europe Trade relations

Achievements

The Economic Partnership Agreement (EPA) between the Southern African Development Community (SADC) and the European Union (EU) was successfully concluded and signed on 10 June 2016 and the first year of provisions for dairy quotas (cheese and butter) were

implemented in 2017.

The cheese and butter quotas for the calendar year 2018, were as divided between the participating SADC members. South Africa received 69 percent of the cheese and 70 percent of the butter quota that consist of 7 700 tons of cheese and 500 tons of butter.

No Non-achievements / underperformance has been reported

Goal 4 - Actions relating to America and Asia

Achievements

No current negotiations

No Non-achievements / underperformance has been reported

Goal 5 - Actions relating to Export Certification

Achievements

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. The SOP was finalised and in first quarter of 2018. Road shows took place in the last two weeks in April 2018. Copies of the SOP can be obtained from the Standards and Regulation Project of Milk SA.

The Department of Agriculture, Forestry and Fisheries (DAFF) stated that the current VPN 20 is still the official document for the approval of dairy export facilities and it is applicable until the revision is finalised and implemented.

No Non-achievements / underperformance has been reported

Goal 6 - Actions relating to Import Monitoring

Achievements

1. A discussion document regarding the possible protection against the import of UHT milk was prepared by the Managing Committee of the Customs, Duty and Market Access Project of Milk SA, to facilitate discussion of the relevant issues by:

The Customs Duty and Market Access Advisory Committee of Milk SA; and

A workshop for representatives of UHT milk producers.

2. The discussion document was accepted by the Customs Duty and Market Access Advisory Committee of Milk SA on 20 April 2018. The Advisory Committee agreed and a workshop for producers of UHT was held on 8 June 2018. The workshop was attended by a number of processors who produce more than 60 percent of the total UHT production. During the workshop the representatives obtain more information about the protective measures available to the South African industries. Following the workshop on 8 June 2018 and taking into account the different criteria used by ITAC to judge the merits of each of the different protection measures, the workshop concluded that:

The information available to determine whether Poland exported UHT milk to South Africa at dumped prices, is too limited to make a well informed decision, but it does not indicate a significant potential dumping margin (the extent to which the export price is lower than the price

in the country of origin);

A safeguard duty in terms of Article 34 of the Economic Partnership Agreement with the European Union (EU), cannot only be implemented against the imports from Poland (a member of the EU), it will be against all member countries of the EU at a level not higher than the level of the ordinary customs duty, which is at present zero, therefore further attention should be given to an application for increase in the ordinary customs duty on UHT milk and an application for the implementation of a safeguard duty in respect of the import of UHT milk from the EU.

Regarding the viability to submit the types of applications referred to in the previous paragraphs, different detailed issues should be considered. Also, such applications should be supported by confidential business information of individual producers of UHT milk and a process is required to deal in harmony with the Competition Act, with such information.

In light of the above points, the workshop decided to request the Customs Duty and Market Access Project of Milk SA to facilitate the establishment of a work group consisting of representatives of the South African producers of UHT milk, to consider the viability of submitting to ITAC the type of applications mentioned.

The Customs Duty and Market Access Project of Milk SA requests all UHT producers to nominate a representative to serve on the work group. All future communication regarding the latest available information will be forwarded to the representatives.

The following monthly import and export tables and quarterly reports were submitted (January to April 2018)

Quarterly reports January to December 2017 and January to March 2018

No Non-achievements / underperformance has been reported

Goal 7 - Actions relating to the Animal Health Forum

Achievements

The project manager participates in the meeting of the forum and focus on trade related issues. Dr Chris van Dijk was nominated by the Board of Directors of Milk SA to serve as a Director on the National Animal Health Forum.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	Customs Duty.pdf Financial Report for Customs Project Jun 18.xlsx
Unnecessary spending during period	No

Popular Report

[Customs 2 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
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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