



Customs and Market Access

(PRJ-0230-2019)

SAMPRO

Quarter 3 2019/2019 (July 2019 till September 2019)

Project goals

Goal 1 - Bilateral and Multilateral Trade Agreements

Achievements

1. In 2019 the focus on trade negotiations shifted from negotiations with first world countries to trade within the Africa continent. The focus is on the following agreements:

The African Continental Free Trade Area (AfCFTA) which includes 54 African Countries; and The Tripartite Free Trade agreement (T-FTA) which include some trade blocks within Africa.

2. 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. The project commented on rules of origin and a report was submitted to the Agricultural Trade Forum.

Timelines on the AfCFTA

3. The following timelines have been adopted by the Trade Ministers: -||

Member States should submit their Schedules of Tariff Concessions covering 90% by 30 September 2019 that they agree on to scale down immediately; -||

The remaining 10% (i.e. the 7% Sensitive and 3% Exclusion products) by 30 November 2019; -||

That by January 2020, all the schedules should be finalized & submitted; and -||

The agreement should be implemented by June 2020.

Utilization, reallocation and allocation of EU's TRQs into SACU market

4. A table showing utilization and re-allocations for 2019 as well as allocation for 2020 is attached to this report as Annexure 1. Implementation of the re-allocated volumes will apply retrospectively from 1 September 2019 after the volumes has been approved by the Council and the gazette issued by SARS.

No Non-achievements / underperformance has been reported

Goal 2 - Trade Protection and Tariff Dispensation

Achievements

Protection against the import of UHT milk

5. The preliminary evaluation was done and captured in a non-confidential report for consideration by the UHT Milk Work Group. The report was discussed with UHT manufactures during a meeting that was held in March 2019.

6. The work shop took notice: a) That no import of full cream UHT (0401.20.07) took place

between August 2018 to March 2019; and b) Concluded that ITAC should be requested to provide information regarding the process to be followed in respect of an application for Safeguard duties in respect of Article 35 of the EPA agreement; as well c) As whether any criteria other than the criteria mention in Article 35 will be used.

7. Informal discussions about Article 35 took place and a formal letter was forwarded to ITAC to get clarity if there are any guidelines for the implementation of Article 35 of the EPA agreement once the import trigger levels for full cream UHT are exceeding in a particular year.

8. Subsequent to this development, DAFF held several interdepartmental meetings with the DTI, SARS and ITAC on this matter during which implementation guidelines were developed and agreed upon at national level. The proposed guidelines were shared with its SACU partners during the SACU internal technical meeting whereby SACU Member States committed to provide comments by 27 September 2019. Communication was received in October from ITAC indicating that the guidelines for the implementation of Article 35 of the EPA agreement will soon be published in the Government Gazette for comments.

No Non-achievements / underperformance has been reported

Goal 3 - Export Certification

Achievements

9. With the outbreak of Foot and Mouth disease (FMD) early in January 2019 most of South Africans' trading partners have introduce an interim ban on importation all animal and animal products. All import permits and Veterinary Health certificates had to be renegotiated.

10. The continuation of trade in safe commodities has been prioritised. Safe commodities include any product that has been processed in such a way that FMD virus, should it be present, will have been destroyed.

11. However, each importing country retains the right to determine its appropriate level of protection and exporters are urged to obtain import requirements via their contact points in the importing countries.

12. In the interim, the Department has successfully negotiated the revision of veterinary health certificates for processed dairy exports and 90% of South Africa's historical export market has been re-opened.

13. The establishment and approval of a disease containment zone will re-establish the previous FMD-free zone without vaccination status (excluding the FMD control zone and the disease containment zone) which will greatly enhance the re-opening of trade with all previous trading partners.

No Non-achievements / underperformance has been reported

Goal 4 - Import Monitoring

Achievements

14. The following monthly import and export tables and quarterly reports were submitted:

Monthly : October to December 2018; and

January to June 2019

Quarterly : January to December 2018;

January to March 2019; and

January to June 2019

No Non-achievements / underperformance has been reported

Goal 5 - Participation in the Animal Health Forum in respect of Trade Related issues

Achievements

15. The project manager participates in the meeting of the forum and focus on trade related issues.

16. Since the announcement of the FMD outbreak, the Customs and Market Access Project of Milk SA has been in continuous contact with the Animal Health Directorate of the National Department of Agriculture, Forestry and Fisheries (DAFF) and the National Animal Health Forum (NAHF). On 23 January 2019 a meeting took place between the Project of Milk SA and the Import-Export Unit of the Directorate Animal Health to share information and discuss the status of the outbreak and further actions needed.

17. The National Animal Health Forum, of which Milk SA is a member, immediately after the announcement of the FMD outbreak, contacted the Government and three task teams have been set up to address the outbreak, namely:

- FMD Technical Task Team (The CEO of the MPO is a member of the task team);
- FMD Trade Task Team (Undersigned is a member of this task team); and
- Communications Task Team.

18. All the media briefs and press releases were forwarded to the industry by Milk SA and we will continue to do this.

19. 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 and he also serve on the FMD Technical Task Team.

20. The project manager has attended more 12 meetings with the veterinary officials and the meetings of the FMD Trade Task team.

21. A decision was taken by Milk SA that as from 2020 the membership fees for the NAHF will be split 50/50 between the Research and Development Project and the Customs and Market Access Projects of Milk SA.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	CORFIN151 Standard Monthly Financial report - Aug 19.xlsx Mark.pdf
Unnecessary spending during period	No

Popular Report

[Customs 3 qtr pop report 2019 F.docx](#)

[SADC-EU EPA - Utilization and Reallocation of EU's TRQs into SACU for 2019 and Allocations for 2020.docx](#)

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