

THE NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NO. 270 DATE OF ORAL REPLY: 4 MAY 2022

Inkosi R N Cebekhulu (IFP) to ask the Minister of Trade, Industry and Competition: Whether, in light of the concerns raised by the SA Association of Meat Importers and Exporters that there will be a shortage in the supply of poultry if the Republic does not produce enough poultry which will have an impact on both small-scale farmers and the consumers, his department has any plans in place to assist with (a) the urgent removal of trade tariffs on all poultry products and (b) a three-year moratorium on any new tariffs? [NO1634E]

REPLY

The Department is monitoring the supply of poultry in the domestic market and will take appropriate steps warranted by the need to carefully balance the creation of jobs in the broader poultry value-chain (farmers, abattoirs and processing facilities, feed producers, packaging and other sectors) with the need to maintain affordable poultry supplies to South Africans who have been badly affected by rising prices of many food items.

Imports from Brazil have been climbing steadily in recent years. Official import statistics from the customs agencies of trading partner shows that in 2017 South Africa imported 555 121 tonnes of chicken, worth R6.2 billion. More than 60% came from Brazil, which is the world's largest exporter of chicken meat. Imports in 2019 were 22% higher than the five-year average from 2013-2017. While measures against unfair trade practises and health and safety concerns subsequently slowed imports, I am advised that South Africa still imported R4,7 billion of poultry in 2021, using the data from trading partners.

Imports of poultry are available duty free from the European Union, the United Kingdom, and the Southern African Development Community; except where restrictions are necessary to protect against health and safety concerns or unfair trade. These countries make up more than 38% of global chicken exports and provide a robust supply of poultry for South African importers.

At present, safeguard measures are in place in response to the International Trade Administration Commission's (ITAC) finding of unfair trade practises by Germany, the Netherlands and the United Kingdom. Investigations are ongoing on four additional European markets, with provisional measures in place against Poland, Spain, Denmark and Ireland.

Certain categories of poultry currently have zero duty in place, including from countries outside the EU and SADC.

Duty-free imports provide competition to domestic producers, while providing space for the local industry to grow. Given these considerations, (a) the dtic does not have any plans to remove trade tariffs and (b) will continue to keep tariffs available as a strategic option to help South Africa maintain this balance. As indicated above, the Department will however continue to monitor the market and take all factors into account in determining appropriate responses.

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