



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 2853

Inkosi R N Cebekhulu (IFP) to ask the Minister of Trade, Industry and Competition:

Following reports that the South African sugar cane growers have recently complained about the major increase in cheap sugar imports from countries such as Brazil, the United Arab Emirates and other countries, which has had an unavoidable impact on the competitiveness of the South African sugar industry, with massive reduction in sales of local sugar over the past year, what are the full details of the steps his department has taken to ensure that Government creates a thriving, inclusive, transformed and sustainable local sugar industry that supports our sugar cane growers? [NW3677E]

REPLY

The South African sugar industry is an important part of South Africa's agricultural sector, employing some 85 000 people directly. South Africa experienced an increase in imported sugar up until 2017. To provide protection to South African sugar producers, and following consultation with the industry facilitated by the Ministry, in August 2018 the International Trade Administration Commission (ITAC) amended the dollar-based reference price used to determine the effective customs duty on sugar, which resulted in an increase in the customs duty on imported sugar.

Subsequently, sugar imports declined from 844 522 tons in 2017, to 544 708 tons in 2018, and to 519 189 tons in 2019. This has been largely attributed to the change in the tariffs.

Imports from Brazil have declined from a record 243 982 tons in 2017 to 21 971 tons in 2019; while imports from the United Arab Emirates have declined from 157 387 tons in 2017 to 26 tons in 2019.

This decline in sugar imports has continued during 2020, with imported sugar for the period from January to October 2020 amounting to 408 364 tons, some 8% below imports during the same period in 2019. However, I have been advised that there has

been an increase in imports from Brazil during this period, from 19 488 tons in the period from January to October 2019, to 31 563 tons in the same period in 2020; though still below levels of imports experienced in 2017 and 2018. Imports from the UAE as reflected in official statistics for 2020 (to date), remain at modest levels compared to 2017.

To help provide further support to the sugar value chain in South Africa, government began consultation in August 2019 with the sugar industry - including producers, industrial and retail users, and organised labour – on the development of a masterplan for the sector. The broad terms of the Masterplan, which includes a commitment to local procurement of at least 80% of need for industrial users and retailers were agreed in April 2020, and signed by stakeholders during a virtual signing ceremony in November 2020, ahead of the 3rd South Africa Investment Conference.

A media statement was issued jointly by the **dtic** and the Department of Agriculture, Land Reform and Rural Development (DALRRD) on 17 November 2020, providing the details of the masterplan, a copy of which can be found on the **dtic** website at <http://www.thedtic.gov.za/government-and-industry-stakeholder-signed-the-sugar-master-plan/>.

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