

Update on AGOA to the Portfolio Committee on Trade and Industry

Dr Rob Davies, MP
Minister of Trade and Industry
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Background

- This presentation is an update since my presentation on the 4th of August.
- The reauthorisation of the African Growth and Opportunity Act (AGOA) passed Congress on June 25.
- President Obama signed the AGOA Extension & Enhancement Act (AEEA) of 2015 into law on June 29.
- On the 21st July USTR published a notice in Federal Register announcing an out-of-cycle review for SA to determine its eligibility.
- A public hearing took place in Washington DC on the 7th August 2015.
- South African Government made written and oral statements at the hearing.



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SA's message to the US on its AGOA eligibility

- AGOA has contributed significantly towards building a mutually beneficial partnership between the USA and South Africa.
- South Africa is a vital part of the regional integration and development process underway in Africa and removing South Africa from AGOA would substantially diminish the significance of AGOA for sub-Saharan Africa and the United States.
- The breakthrough made at the June 6-7th meeting in Paris on the poultry issue and the progress made on the SPS issues related to poultry, beef and pork offer significant opportunities for the US and South Africa to increase their trade in Agriculture.

SA's message to the US on its AGOA eligibility cont....

- South Africa is a relatively open economy and trade and investment relations between South Africa and the United States have continued to grow and deepen during the period under AGOA.
- Bilateral mechanisms, such as TIFA, have provided an excellent forum for the resolution of trade and investment concerns.
- South Africa meets all the eligibility criteria to remain a beneficiary of AGOA for the next 10 years.



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Progress on SPS Issues on 3 “meats” almost completely finalised

- In a bilateral meeting held between the US and SA on the margins of the Gabon AGOA Forum (24-27 August 2015) and subsequent communication it was established that the main issues that remained to be resolved to smooth the path for South Africa’s AGOA eligibility were the three “meats”.
- SA’s Veterinary experts have had several bilateral engagements since the Paris 4th and 5th June meeting including in Paris, Baltimore and via Video Conference on the 27th July, 14th of September, 9th of October, and 15th of October, to resolve the technical SPS issues of mutual concern, to facilitate the imports of these three meats from the US to SA.



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Poultry SPS

- Almost 20 US States – experienced outbreaks of Avian Flu this year.
- There has not been any new outbreaks of Avian Flu for more than 90 days. The US can resume its exports of poultry products to South Africa as soon as it declares itself free of Avian Flu.
- However, the US Government has been negotiating a Trade Protocol in the event of any New Outbreaks of Avian Flu – to secure continued exports of poultry from those STATES/Areas in the US that are NOT AFFECTED by Avian Flu.
- In addition the US been negotiating a supporting health certificate for poultry.



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Poultry SPS cont....

- Negotiating an appropriate trade protocol and health certificate that both secures market access for the US and also ensures security for animal health was a challenging task for the Vets from both the US and SA.
- After several months of technical discussions by the Vets a poultry trade protocol and a health certificate have been almost completely finalised with some t's to cross and i's to dot in the next few days.
- South Africa has sent all its proposals to resolve the outstanding issues and is waiting on the US to respond.



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Beef

- On beef, the Cabinet approved the lifting of a ban on boned beef from several countries which had Bovine Spongiform Encephalopathy (BSE) including the United States on the 24th of June, 2015.
- South Africa has submitted a draft health certificate to facilitate trade from the US and is open to discussing these issues on an expedited basis.



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Pork

- On Pork, the Animal Health Authorities of both governments have been undertaking the necessary technical work to ensure safe trade from at least three diseases, namely, Trichinella, Porcine Reproductive & Respiratory Syndrome (PRRS) and Aujesky. South African Vets have made significant progress and have been able to approve a list of pork cuts.
- South Africa has submitted a draft pork health certificate to the US.
- South Africa remains ready to address any other concerns of the US.



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SA market access issues

- South Africa also continued to raise its interest to gain access to the US market for its exports of chicken breast, mutton/lamb meat, sheep and goat embryos, horses, beef, and ostrich meat.
- In addition to these products other products of interest to South Africa in the US market are apples, pears, stone fruits, litchis, citrus, avocados.
- SA is hopeful that the US will reciprocate in facilitating market access for these products on an expedited basis.



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AGOA and US poultry are secure!

- South Africa has complied with all its undertakings to open its market to US bone-in chicken pieces by the end of the year.
- ITAC has published the AD draft Rebate Regulations on Friday, the 30th of October, 2015 for comment.
- South Africa has submitted all its proposals to resolve the outstanding issues on the a) Trade Protocol, and; b) the Health Certificate, for poultry.
- South Africa remains fully committed to address any final technical matters that the US requires in the next few days.
- SA thus views AGOA to be secure for the next 10 years as provided for in the AGOA Extension Act.



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