

The Citrus Growers Association (CGA) of Southern Africa has said the U.K.'s decision to leave the European Union (EU) will likely have a range of largely positive implications for exporters.

U.K citizens voted by a tight majority to leave the trade bloc on June 23, but the process of leaving will take up to two years from the moment Article 50 of the Lisbon Treaty is formally triggered.

In a newsletter, CGA CEO Justin Chadwick emphasized the Brexit situation was still playing out and it may be many years before the full consequences are known for citrus shippers, but he said the long-term impact on the industry from a regulatory perspective was looking promising.

"At present UK plant health regulations are the same as those of the EU, since these were harmonized in 1992. Entry requirements for citrus shipped from southern Africa to UK are the same as entry requirements for citrus shipped to mainland European member states of the European Union," he said.

"An independent UK will in all likelihood introduce its own plant health regulations – or at least remove or rescind those regulations that have no impact on the UK.

"Since the UK does not have any citrus, plant health regulations on citrus imports should be easier to comply with than present EU regulations."

Chadwick said this alone would be a 'significant boost' for the southern African citrus industry, and he hoped the changes would happen 'sooner rather than later'.

He added the U.K. would no longer have to rely on EU advisory bodies and scientific institutions in making decisions on plant health and food safety regulations, and could depend on its own scientists to assess risks.

In addition, the representative pointed out the U.K. would need to enter into new trade negotiations with southern African countries with regard to trade preferences and duties.

"Present trade between the EU and South Africa is governed by the Trade and Development Cooperation Agreement (TDCA) and the recently concluded Economic Partnership Agreement (EPA)," he said.

"Since citrus would not be a sensitive product with regard to protecting domestic producers it could be anticipated that the UK would have reduced duty levels for southern African citrus. This would mean that UK citizens could potentially enjoy excellent quality southern African citrus at even lower prices."

However, in the shorter-term, the sharp devaluation of the British pound sterling may reduce demand for imported products in the U.K.

U.K. to be 'unencumbered by barriers'

According to the European Fresh Produce Association (Freshfel), South Africa is the third-largest supplier of produce into the U.K. market, behind Spain and the Netherlands.

South Africa currently supplies 36% of imported grapefruit, 27% of imported oranges, 19% of imported soft citrus and 11% of lemons to the market.

When looking at EU imports, 22% of southern African exports go directly into the UK, with 78% entering through mainland European ports.

"Over the past hundred plus years, the UK has been the biggest importer of southern African citrus (taking about 10% of total citrus exports)," Chadwick said.

"Brexit should see a normalization of citrus trade between southern Africa and the UK, unencumbered by protectionism, tariffs and technical barriers to trade."

Photo: www.shutterstock.com

www.freshfruitportal.com

