

<https://www.engineeringnews.co.za/article/citrus-growers-call-for-urgent-wto-intervention-to-ensure-oranges-can-be-exported-to-eu-2023-02-01>

Citrus growers call for urgent WTO intervention to ensure oranges can be exported to EU

1ST FEBRUARY 2023 BY: SCHALK BURGER - CREAMER MEDIA SENIOR CONTRIBUTING EDITOR



I
ndustry

organisation the Citrus Growers Association of South Africa (CGA) has called on global body the World Trade Organisation (WTO) to urgently establish a panel to adjudicate on the False Coddling Moth (FCM) regime governing the importation of South African oranges to the European Union (EU).

CGA has written to Trade, Industry and Competition Minister **Ebrahim Patel** to call for the establishment of the WTO panel, because, if the issue is not resolved before the 2023 export season starts, growers could face hundreds of millions of rands in losses, putting the future sustainability of the entire industry at risk, says CGA CEO **Justin Chadwick**.

The call follows after a stalemate was reached between the South African government and the EU after the Department of Trade, Industry and Competition (DTIC) lodged a dispute at the WTO in July. Consultations since then have not made any progress.

“The CGA is unmoved in its view that the cold treatment prescribed within the new regulations is contrary to scientific evidence, making it an arbitrary and unnecessarily trade restrictive measure and, accordingly, contravenes international requirements for such phytosanitary trade regulations.

The CGA says that, while the South African government has presented clear evidence during the consultation process that the country’s existing and stringent FCM risk management system already ensures that 99.9% of oranges entering the EU are pest free, with only 2 FCM interceptions detected in the more than 350 000 t of oranges shipped to the region in 2022, there has been no progress when it comes to reaching mutually agreed concessions on the new regulations.

“We understand the matter was also raised during last week’s high-level engagements between senior EU and South African government officials with no positive outcome. It is, therefore, clear that political intervention at a ministerial level is required in order to ensure the major threat that the new regulations pose to the upcoming 2023 citrus season is resolved as a matter of priority,” says Chadwick.

“With the export of oranges starting in May, we still have a short window to rescue this serious situation. We have, therefore, written to Patel with an urgent appeal to call for the establishment of a WTO p=Panel to adjudicate on the matter.

“The CGA believes that convening a WTO Panel is the only option to put a stop to what is clearly nothing more than a politically motivated move by unions within the Spanish citrus industry to decimate the businesses of thousands of South African growers and the livelihoods they support.”

The untimely introduction of the FCM regime has already added more than R200-million in additional costs to the citrus industry in 2022, with the expected financial consequences set to increase further this year, he notes.

A recent study conducted by the Bureau for Food and Agricultural Policy estimates that, should EU authorities continue to enforce the new regulation, additional costs and loss of income will amount to more than R500-million in 2023, while an investment in cold storage technology and capacity of nearly R1.4-billion will be required to enable full compliance.

This poses a major threat to the future sustainability and profitability of the industry that sustains more than 140 000 jobs and brings in R30-billion in export revenue a year, Chadwick says.

“The local industry remains committed to continue working with all government and industry stakeholders to address this issue with the urgency it requires, and is grateful for support received from the DTIC and the Department of Agriculture, Land Reform and Rural Development to date,” he adds. 🇿🇦

Phone: +27 (0)11 622 3744

Fax: +27 (0)11 622 9350

Email: newsdesk@engineeringnews.co.za

Website: www.engineeringnews.co.za

To subscribe email
subscriptions@creamermmedia.co.za or [click here](#)

To advertise email
advertising@creamermmedia.co.za or [click here](#)

