

SA advances WTO dispute against EU citrus restrictions

In a move to challenge the European Union's (EU) import restrictions on South African citrus, South Africa requested the formation of two panels at the World Trade Organization's (WTO) Dispute Settlement Body (DSB) this week. South Africa argues that the EU's current measures are not based on science and unfairly discriminate against their citrus exports.



Source: @joseh51 via [123RF](#)

These steps were taken to address the EU's regulations on two separate plant health issues: Citrus Black Spot (CBS) and False Codling Moth (FCM). The South African government is challenging the regulations to protect the livelihoods of tens of thousands of people in the local citrus industry.

Currently, South African citrus growers are spending billions of rands per year to comply with CBS and FCM measures that the industry considers unscientific and unnecessarily restrictive as South Africa already has an effective world-class risk management system that ensures safe citrus exports. Emerging citrus growers are especially hit hard by the EU measures.



SA challenges EU citrus regulations for second time

Nelson Banya 25 Apr 2024

The request to establish the two panels is a significant development. This is the first time that South Africa has progressed a dispute at the WTO beyond the panel state of the established DSB process.

On 15 April 2024, South Africa requested consultations with the EU on the CBS matter, which initiated a process that has ended without any results. On FCM, South Africa initiated consultations in July of 2022, with no satisfactory conclusion as well. A panel will now also be formed on the FCM matter.

While the EU did not at this time accept South Africa's request for the two panels, the set DSB procedure is that the requested adjudication panels will be established at its next meeting in July 2024. A DSB panel report can usually be expected after nine months.

The government's representatives reiterated the legal basis of their complaints at the WTO headquarters in Geneva this week. **These included the following arguments:**

- The measures are not based on scientific principles and are maintained without sufficient scientific evidence.
- The measures are applied in a manner that is not in accordance with the provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures, of which the EU is a signatory.
- The EU fails to apply the measures in a uniform, impartial and reasonable manner.
- The measures are more trade-restrictive than required to achieve protection, and there are reasonably available alternatives which are technically and economically feasible, that would achieve protection in a significantly less trade-restrictive manner.

The South African government has the support of the Citrus Growers' Association of Southern Africa (CGA). "Last year we exported 36% of all our citrus to the EU. That shows what an important market it is for our growers. It is the very foundation of citrus profitability in SA.

"Should the EU continue with the implementation of these measures, or intensify them in any way, the profitability of hundreds of growers will be negatively affected and the industry will suffer severe revenue and job losses. But this is also potentially good news for the European consumer.

"Their orange prices last summer were at an all-time high. However, if their supply is unfettered, consumers will benefit," says Justin Chadwick, CEO of the CGA.

Safeguarding jobs and communities

"The citrus industry supports 140,000 jobs at farm level alone," explained Mooketsa Ramasodi, director-general of the Department of Agriculture Land Reform and Rural Development (DALRRD). "The government is acting to safeguard these livelihoods and the central role the citrus industry plays in so many of our rural communities."

The acting director-general of the Department of Trade, Industry and Competition, Malebo Mabitje-Thompson, further clarified government's actions at the WTO, adding: "The EU's measures on CBS and FCM are not justified, proportionate or appropriate. It must be understood, however, that the WTO process is not confrontational or aggressive."

"The goal is scientific truth and fairness. We are making use of the WTO mechanisms available to us to find an amicable solution."

The South African citrus industry is currently entering its peak export season with oranges heading to the ports. It is estimated that South Africa will export a total of 170 million 15kg cartons this year.



"The exceptional quality of local citrus has made it sought-after internationally. South Africa is the world's second largest exporter of citrus," says Chadwick.



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