

■ NATIONAL

SA makes progress at WTO on disputes over citrus exports

Panels to be set up to tackle EU restrictions on black spot and false codling moth

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by DENENE ERASMUS



SA's citrus industry generates about R30bn in export revenue annually. Picture: SUPPLIED

SA is moving forward in its bid to find a lasting solution through the World Trade Organisation (WTO) for what the local citrus industry has called unnecessarily restrictive trade measures imposed by the EU on citrus exports from SA.

These actions are aimed at bringing an end to a long-running dispute between SA and the EU about the EU's phytosanitary regulations in terms of two plant health issues: citrus black spot and false codling moth.

Last week SA requested the establishment of two panels at a meeting of the Dispute Settlement Body (DSB) of the WTO to examine what, in SA's view, are unscientific and discriminatory measures placed on

citrus imported from SA by the EU, after more than 20 years of engagements with the EU to find an amicable solution.

The initial requests for the establishment of the panels were made on June 24 and were not accepted by the EU. In line with the WTO dispute settlement understanding, the second round of panel requests made on Friday would be automatically approved by the chair of the DSB.

“SA is asking for justified, proportionate and appropriate measures. The WTO process gives us a mechanism with which to potentially solve the problem amicably. The WTO dispute mechanism ensures a lasting solution to address our concerns and is used by all trading partners to resolve trade disputes and is therefore not an aggressive or confrontational stance by SA,” minister of trade, industry & competition Parks Tau said in a statement.

The European market accounts for more than a third of SA's total citrus exports. The Citrus Growers' Association of SA (CGA) has previously identified the dispute with the EU about these phytosanitary regulations as one of the main challenges to growing exports in line with the industry's expected expansion.

According to the CGA, in the 2023 export season Southern African citrus growers packed 165.1-million cartons of 15kg each for delivery to global markets and it is estimated that SA will export 167-million cartons this season. While the 2023 and 2024 seasons' export figures showed a marked increase from previous years, they were substantially below the long-term anticipated growth curve.

“The industry can, if all role players work together, potentially reach the target of 200-million cartons in the next four years, and possibly 260-million cartons by 2032,” the CGA said.

However, to achieve this SA had to find solutions to the dispute with the EU, among other challenges, such as port logistics, which hamper exports.

SA citrus growers spend about R3.7bn a year to comply with citrus black spot and false codling moth measures.

“The measures are unscientific and unnecessarily restrictive as SA already has an effective world-class risk management system that

ensures safe citrus exports. Emerging citrus growers are especially hit hard, with significant implications for livelihoods and jobs,” the CGA said.

According to the CGA and the department of trade, industry & competition the request to establish the two panels was a significant development and it would be the first time that SA had advanced to the panel stage of the WTO DSB process. The panel phase begins the adjudicative process of the disputes.

A WTO dispute case can take on average about 18 months to be adjudicated and the panel ruling could be appealed to the Appellate Body, which is unable to consider cases due to a lack of quorum.

The citrus industry supports about 140,000 livelihoods at farm level alone.

Justin Chadwick, CEO of the CGA, warned that if the EU were to intensify these phytosanitary measures in any way, the consequences would be “job losses on a massive scale”.

“Making sure appropriate measures are in place is also potentially good news for the European consumer. Their orange prices last summer were at an all-time high. If their supply were to be unfettered, consumers will benefit,” said Chadwick.

The legal basis of SA’s complaint includes: the measures are not based on scientific principles and are maintained without sufficient scientific evidence; the EU fails to apply the measures in a uniform, impartial and reasonable manner; and the measures are more trade restrictive than required.

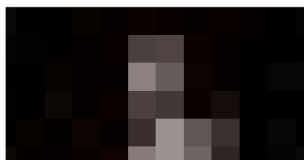
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