GLOBAL CITRUS SCAN (45/2011)

John Edmonds (9December 2011) Citrus Growers Association (CGA)

Lines overcharging for anti-piracy surcharge

Anti-piracy surcharges imposed by carriers for armed guards and anti-piracy gear are too high, says the Hong Kong Shippers' Council (HKSC), according to a Shipping Gazette report. "Shipping lines have to justify the charge before the market will accept it," said HKSC executive director Sunny Ho, reported the South China Morning Post. "US$500 is not a small sum. Indeed, it is a very, very significant sum." Current China-Europe freight rates are around US$1 300 per FEU though Europe-Asia eastbound rates are less than $700. Based on these rates, Ho said a $500 security surcharge already accounted for an 80% premium on top of the existing eastbound freight rates, which is "far too high". Moreover, big Asia-Europe containerships are the least vulnerable of pirate prey as they have high freeboard, high speed and throw up a wash that makes it hard for attacking skiff crews to board, unlike their usual targets, the low and slow bulkers and tankers. Ho said exporters and importers understand carriers need to hire armed guards to protect their ships, but navies, including the PLA Navy, "offered escort services without charge". "If shipping lines are relying on the navies' free-of-charge service, it is really hard to justify the extra security charge."
[FTWonline; 8 November 2011]

Shipping tax to hit RSA export costs

South African exports to the European Union (EU) are set to become more expensive when proposals to introduce a shipping tax next year are adopted, according to a report by Business Day quoting trade policy analyst Peter Draper. The 27-member EU is South Africa's biggest trading partner, with annual two-way trade between the regions generating some R400bn (€35.9bn). The country's free-trade deal with the EU has resulted in tariffs being removed on 98 per cent of South Africa's goods exported to the EU, while, in return, In return, South Africa is expected to do away with tariffs on 86 per cent of EU imports by next year. According to the Pretoria-based state agency, the South African Maritime Safety Authority, merchandise trade accounts for half of the country's gross domestic product, with 98 per cent of that trade is conducted by sea, Business Day reported. South Africa is one of 21 countries that are already at loggerheads with the EU on an aviation tax, which becomes effective on 1 January 2012. The tax on all airlines flying through the EU's airspace has been introduced as part of bold measures to reduce carbon emissions. A 'road map' will be unveiled by the EU at the United Nations (UN) conference on climate change in Durban, with an action plan including the lobbying of UN members to sign a commitment to have a legal agreement on climate change signed by 2015. "The tax will raise the cost of imports into the EU for all trading partners, but the incidence will depend on how the tax is designed," Draper explained. Roeland van de Geer, the EU's envoy to South Africa, said on Friday that shipping and aviation contributed "significantly" to carbon emissions, which the bloc wanted to limit.
[Fruitnet.com; 30 November 2011]

Pakistan expecting a bumper kinnow mandarin crop

Pakistan is expecting a bumper kinnow mandarin crop this season thanks to timely monsoon rains, according to a major grower and exporter. Citrus Asia Enterprises' chief executive officer Muhammad Sadiq, said he was optimistic fruit quality would be good as orchards were in a lush state with plenty of fruit. He said that production was expected to reach 2.5 million metric tons (MT) with exports exceeding last year's figures. Last season recorded post harvest losses due lack of adequate facilities and proper training of picking and packing. The harvest period for kinnow mandarins from Pakistan's growing heartland Sargodha district in the province of Punjab is from November to May. *[www.freshfruitportal.com; 29 November 2011]*

India ranks 64th in productivity of orange

Brazil is the world leader in orange production…contributing to 25.73 per cent of world tonnage followed by the US at 12.09 per cent , India at 7.60 per cent and China at 7.10 per cent. India is the third largest producer of orange in the world. Although, India is second in area and third in production of orange in the world, the productivity/hectare is very low as compared to the US, Indonesia, Turkey and other countries where the crop is grown commercially. In terms of productivity, India ranks 64th with only 9.23 tonnes a hectare. Total export of orange from India during 2009-10 was 25.06 thousand tonnes … In terms of value, Bangladesh is a major importer contributing 84 per cent followed by Nepal contributing 12.08 per cent of total exports from India. Other major importing countries include Kuwait, Oman, Singapore and the UK.
[thehindubusinessline.com; 5 December 2011]

If you need more information on any of these issues, or if there is anything else that CGA can assist with, please contact us at 031 7652514, or johne@cga.co.za
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