

***“I have come to the conclusion that politics are too serious a matter to be left to the politicians.” Charles De Gaulle***

### **SOUTH AFRICAN GOVERNMENT LODGES WORLD TRADE ORGANISATION DISPUTE**

On 22 July 2022, the Permanent Mission of South Africa to the United Nations and other International Organizations wrote to Mr Joao Aguiar Machado, Ambassador of the European Union (EU) to the World Trade Organisation (WTO) in Geneva to request consultations with the EU concerning the new regime governing the importation of citrus fruit from South Africa.

In June, the European Union’s (EU) Standing Committee on Plant, Animal, Food and Feed (SCOPAFF) published drastic, and arguably misinformed, new regulations requiring the cold treatment for oranges heading to the region as a means to address False Coddling Moth (FCM) interceptions from Southern African orange exports. Despite numerous objections from several other countries, including European markets that currently import South African oranges, these new regulations were published in the Official Journal of the European Union with an implementation date of 14 July 2022.

The fact that EU authorities attempted to enforce these new regulations a mere 23 days after publication made it impossible for South African growers to ensure their compliance, and highlights how unjustified and discriminatory this legislation is, with devastating consequences to our local citrus industry.

In terms of WTO agreements, members have agreed not to discriminate among imports from different origins, not to impose sanitary and technical barriers to trade that are discriminatory and not based on international standards or on sound scientific evidence. It is clear that the EU’s protectionist FCM import measures against South Africa violate these conditions. In its request for consultations, South Africa identified 21 inconsistencies in the new proposed phytosanitary measures, against the guidelines of the WTO Agreement, which the EU is obligated to adhere to.

These transgressions have already impacted an estimated 3.2 million cartons of citrus valued at R605 million (€38.4 million), with reports of hundreds of containers of South African citrus being detained by authorities in the EU on arrival. Without immediate political intervention, the threat remains that these consignments will be destroyed by EU authorities.

The local industry is still of the 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 understands that the Department of Trade, Industry and Competition (DTIC), as well as national government, undertook a number of efforts to resolve this matter over a period of several weeks. We are aware that the process of seeking a WTO consultation was actioned when it became evident that other avenues would not prove successful to address the issue. The CGA welcomes the move by the DTIC for the lodging of this dispute and elevating it to a multilateral level.

This crisis not only threatens the sustainability and profitability of local growers and the 140 000 jobs the industry sustains locally, but will also result in less and more expensive citrus in European supermarkets. We simply cannot allow, what was clearly nothing more than a politically motivated move by the Spanish, to decimate the businesses of thousands of local growers and the livelihoods they support, while threatening the destruction of millions of cartons of top-quality fruit by EU authorities.

The CGA will continue to work with all government and industry stakeholders to address this issue with the degree of urgency it requires and hopes to ensure all top-quality citrus exports to the EU are received and welcomed over its borders.

### **PACKED AND SHIPPED**

End of Week 29 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
<b>SOURCE: PPECB/AGRIHUB</b>	2020	2021	2022	2021	2022	2022	2022	2021
Grapefruit PP (17kg)		2.5 m	2.5 m	2.0 m	1.9 m			
Grapefruit Class1&2 (17kg)		11.5 m	10.9 m	11.0 m	9.4 m			
Grapefruit	14.6 m	15.8 m	15.2 m	14.8 m	12.8 m	16.8 m	15.3 m	17.5 m
Mandarins	15.8 m	19.4 m	19.9 m	15.3 m	17.4 m	34.5 m	33.7 m	30.9 m
Lemons	23.3 m	24.6 m	28.3 m	21.6 m	25.9 m	32.3 m	32.4 m	31.0 m
Navels	20.4 m	20.8 m	19.7 m	16.5 m	17.8 m	28.7 m	27.2 m	27.2 m
Valencia	14.0 m	14.0 m	13.3 m	8.6 m	8.9 m	58.2 m	57.3 m	55.0 m
<b>Total</b>	<b>88.1 m</b>	<b>94.6 m</b>	<b>96.4 m</b>	<b>76.8 m</b>	<b>82.8 m</b>	<b>170.5 m</b>	<b>165.9 m</b>	<b>161.6 m</b>