

31-07-2015

## **FEEDBACK ON AGOA CONSULTATIVE MEETING HELD 31 JULY 2015**

Agbiz attended the AGOA Consultative Meeting on the 31<sup>st</sup> July 2015 at *the dti* Campus, in Pretoria. The meeting was chaired by the special Envoy on AGOA, Ambassador Faisil Ismail. The objective of the meeting was to determine how government and industry should proceed regarding South Africa's out-of-cycle review under AGOA. Four specific issues were discussed, and these included: (i) an update of the AGOA out-of-cycle review (ii) an update on the implementation of the poultry quota, and (iii) an update of the SPS issues on beef, pork and poultry.

### **1. How do we address issues to be raised in the out-of-cycle review**

Noted was the fact that all African countries under AGOA, including South Africa, are subject to a 30 day out-of-cycle review at least once a year. An out-of-cycle review for South Africa was always part of the plan, as the re-authorisation Bill for AGOA was built from past issues raised by the USA against South Africa.

According to the out-of-cycle review, written submissions will be sent to the United States Trade Representative (USTR) by the 5<sup>th</sup> August 2015, and oral presentations will be made on the 7<sup>th</sup> August 2015. The South African government and private sector can participate in these oral and written submissions. Rebuttals to respond to issues raised by the USA stakeholders can be presented by the 12<sup>th</sup> August 2015.

Issues arising from the review will be addressed through a government-to-government engagement between South Africa and the USA, and discussions will take place until mid-September 2015.

A report will be compiled and submitted to the US President, with the USTR providing recommendations on whether South Africa is still eligible for AGOA or not. A partial withdrawal of market access benefits is a possibility. A 60 day notice will be given to South Africa before the US President announces a decision, by 1 January.

It was noted during the meeting that some issues cannot be resolved within a short time frame, and South Africa has to prove that efforts are being made to work on resolving all outstanding issues.

## **2. Update on the implementation of the poultry quota**

A deal struck in Paris allowed for a 65,000 ton quota of US bone-in chicken imports into South Africa. The growth adjustments of the quota will be subject to quarterly market reviews in order to manage domestic market stability.

*The dti*, DAFF and ITAC are working on guidelines and modalities on the implementation of the quota. There are two issues that are still under consideration: (i) identifying whether technical SPS standards are met, especially regarding requirements around the safety of poultry products. (ii) Concerns around the Notable Avian Influenza (NAI), which has spread to 20 States by 17<sup>th</sup> June 2015. An engagement between DAFF and US Vets is in progress to determine how risks can be contained. Negotiations around developing a mechanism for SPS compliance are complex, but notable progress has been made in this regard. Most issues have been resolved.

Regarding South Africa's modalities and guidelines for the poultry quota, a significant part of the quota will go to previously disadvantaged groups. As part of the agreement, the USA will provide support in developing the poultry sector through skills and technology dissemination in the spirit of reciprocity.

Meanwhile, SAPA asked for white meat exports to the USA. SAPA had compiled a draft agreement to the US Poultry and Egg Export Council (PEEC) before the Paris deal, and this draft was amended after the deal was struck in order to incorporate all the changes recommended after the conclusion of the meeting.

## **3. Beef and Pork SPS issues**

Noted is the fact that US is now Bovine Spongiform Encephalopathy (BSE)-free and Cabinet recommended the lifting of a South African ban on US beef. DAFF has drafted a letter which will be sent to the US to formalise the acceptance of US beef into South Africa.

The discussion on pork cuts has been positive. DAFF reviewed and submitted a revised list from the US on pork cuts, and have excluded offal in order to control for a disease called Porcine Reproductive and Respiratory Syndrome (PRRS). Discussions are expected to be concluded soon.

## **4. Other issues**

The USA has promised to reciprocate South Africa's deal on pork, beef and poultry by speeding up the process of duty free-quota free litchis, mangoes and avocados.

Policy issues regarding the Security Bill are beyond the scope of *the dti*, but it is now understood that concerns around the Bill are now being considered, and being addressed.

Regarding intellectual property, there is no formal policy or white paper around IPs, but there is enough regulation to ensure the protection of IP.

Ambassador Ismail emphasized to the US that if there is any US company that is having any negative experiences due to policy, such issues should be brought to the attention of *the dti* so that these can be addressed and resolved.

All policy issues that have been raised against South Africa have been discussed, at length, under the annual TIFA meetings

## **5. Way Forward**

Each constituency can make submissions to the USTR. To allow all stakeholders to have one unified voice, constituencies were advised to copy, in their submissions, the BUSA CEO Ms Khanyisile Kwenyama ([khanyisile@busa.org.za](mailto:khanyisile@busa.org.za)) and *the dti* contact person Mr Malose Lestoalo ([MALetsoalo@thedti.gov.za](mailto:MALetsoalo@thedti.gov.za)).

For more information on how to make the submissions to the USTR, please visit the following link:

<https://www.federalregister.gov/articles/2015/07/21/2015-17772/african-growth-and-opportunity-act-notice-of-initiation-of-an-out-of-cycle-review-of-south-africa>

In their submissions, constituencies can focus on the value of South Africa to AGOA, i.e. rural economic development, job creation, increasing US-SA intra-industry trade, increasing Africa's trade integration etc.

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