



Import tariffs and industry

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Strict control on import tariffs is definitely one of the most effective ways to protect local producers from deliberate dumping from abroad; however, if this mechanism is not controlled to its intention the consequences could be very destructive to the local fruit juice industry, new entrants and also consumers.

The slogan of the International Trade Administration Commission of South Africa (ITAC) namely 'enabling fair trade' is surely a theory to pursue, where one should believe that this will apply to all participants, from the producer to the consumer, and it should be fitting to assume that all role players did benefit from this protection in the past, in one way or another.

An ideal situation of a balance between local supply and demand is not always possible; therefore, the intentions of all imports and exports should be investigated with magnified attention, as a specific sector or group could easily use the excuse of protection at the expense of the remaining part of the chain.

To measure the effort to get a temporary rebate provision published in the *Government Gazette* is almost impossible, as this is a

well-investigated but lengthy process, as every possible proof must be provided that a specific shortage exists. Furthermore, applying for a permit is a rather irksome process, as the applicant has to repeat the complete process of proving the shortage.

Should certain individuals object to using permits, under the pretence of protecting local farmers, while importing a similar product and confirm local shortage themselves, the playground is not level. Furthermore, such individuals could easily turn protection for industry into protecting financial gain without notice.

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Responsible participants should support the protection of local sources, as this will always be the mechanism to create stability in supply and protect the vulnerable agriculture sector. If this protection is claimed when supply is not possible owing to

continuously increasing local demand, high import prices will be the reason for the local consumer rejecting certain commodities and the protection of the local supplier will be of no value.

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The absence of enough local raw materials and import tariffs on imported products will make it almost impossible for newcomers to enter the industry.

The above grey areas and obstacles surely raise the following questions:

- Is the protection really used for its intended purpose?
- Are some individuals gaining benefits from protection to the expense of other role players and the consumer?
- Who should actually investigate and not only coordinate the actual situation to determine the approval or rejection of a permit application?
- What steps should be taken to verify facts being laid before the Controlling Body when claiming protection and determining local consumption?
- Is the current protection of raw material imports enabling fair trade for all, or is it actually enabling fair trade for some? **M&J**



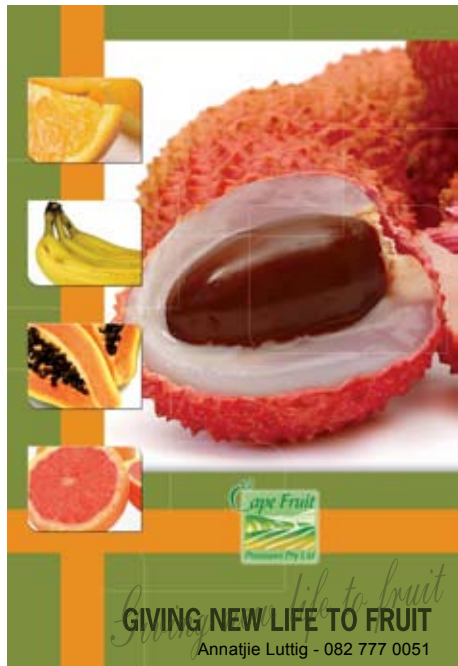
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