

Minister on AGOA outcomes

The demand for South African oranges in the export market has grown rapidly over the past decade, while domestic demand for fresh oranges increased by only 10% over the past 10 years. According to the Bureau for Food and Agricultural Policy, the continued growth in consumer income levels through the next decade will support growth of 19% in the demand for fresh oranges, resulting in more than 155 000 tons of fresh oranges being consumed by 2023.



The Minister of Trade and Industry, Dr Rob Davies, listed oranges and macadamia nuts amongst a range of beneficiary sector products for South Africa; following the agreement between South Africa and the United States of America (USA) on the African Growth and Opportunity Act (AGOA) which secures the country's participation in AGOA.

The purpose of AGOA is to expand US trade and investment with sub-Saharan Africa, which is the foundation of US-Africa trade and economic relations. Major AGOA-beneficiary sectors from South Africa, include: vehicles and parts, ferromanganese, manganese flake, macadamia nuts, oranges, mandarins, chemicals, wines, and raisins. According to the Minister, studies estimate that jobs created due to AGOA amount to over 62 000. Furthermore, South African exporters have used AGOA to expand their exports to the US market and to also build cooperative business networks and technological linkages, that have benefitted both countries.

“All trade agreements that South Africa signed include a chapter on trade remedies that countries can use in the event of injury due to dumping or flooding of the local market. Anti-dumping duties have been approved against the United Kingdom, Germany and the Netherlands, following an application by the Southern African Customs Union poultry industry and investigations by ITAC. Therefore, trade agreements provide scope to protect the domestic industry. The Department of Trade and Industry is working with the local poultry industry to open markets for chicken exports in the Middle East as well as in the United States, among others,” Davies explained in parliament.

On the impact on the poultry sector, Davies said that the National Agricultural Marketing Council (NAMC) and the Department of Agriculture, Forestry, and Fisheries (DAFF) analysed the impact of the quota for imports of between 60 000 and 80 000 tons into the SA market. Studies estimate that production of poultry in SA will decline by between 4 percent and 5 percent and employment by approximately 5 000 jobs.

By [Camille](#) | March 30th, 2016 | [Fruit SA, News](#) | [0 Comments](#)

<http://www.fruitsa.co.za/2016/03/minister-on-agoa-outcomes/>