

*NTM effects of the United Kingdom's departure from the European Union :South African citrus exports*




► Presenter: Mmatlou Kalaba

ATMA4FS

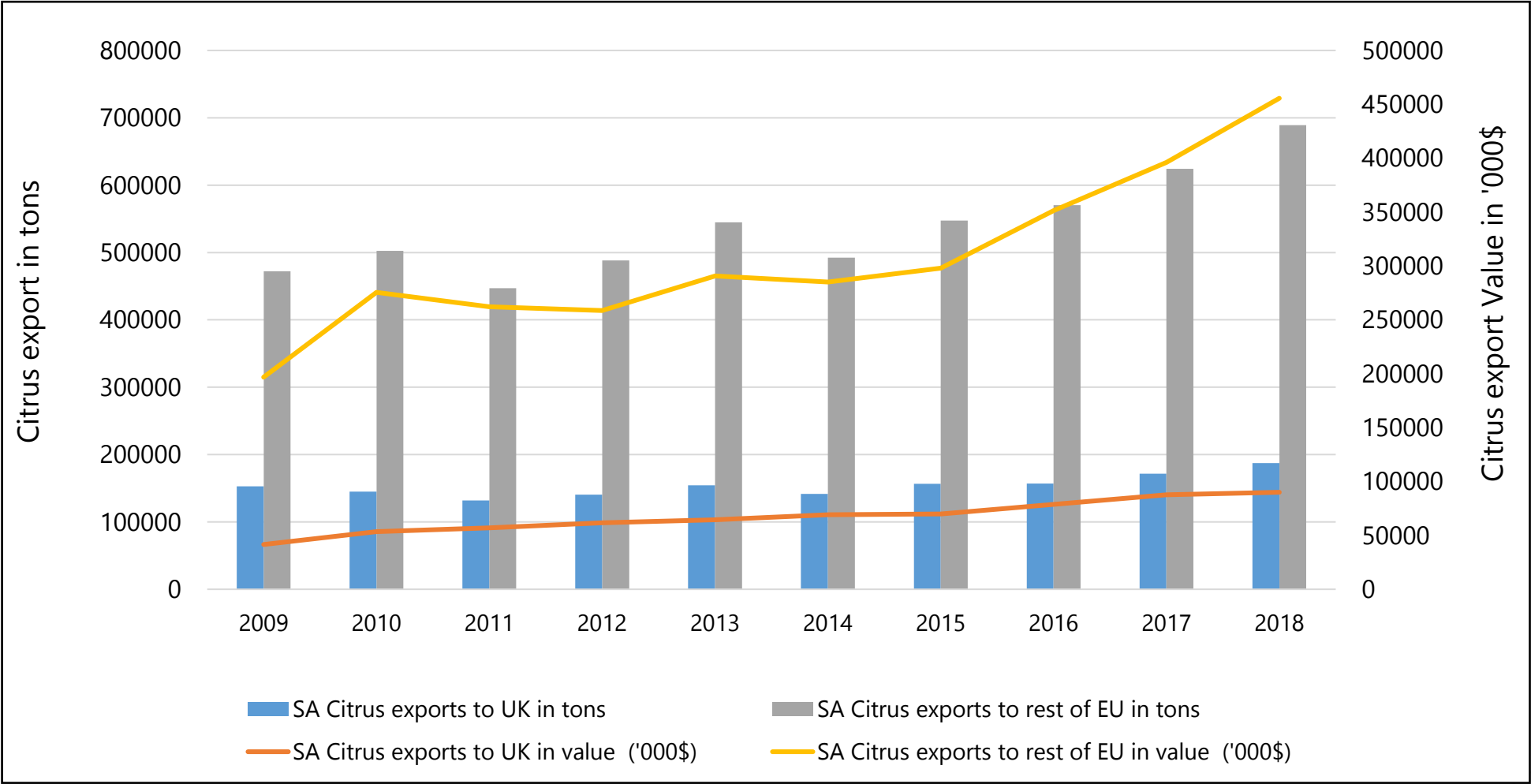


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# EU-SA citrus trade relations -Background

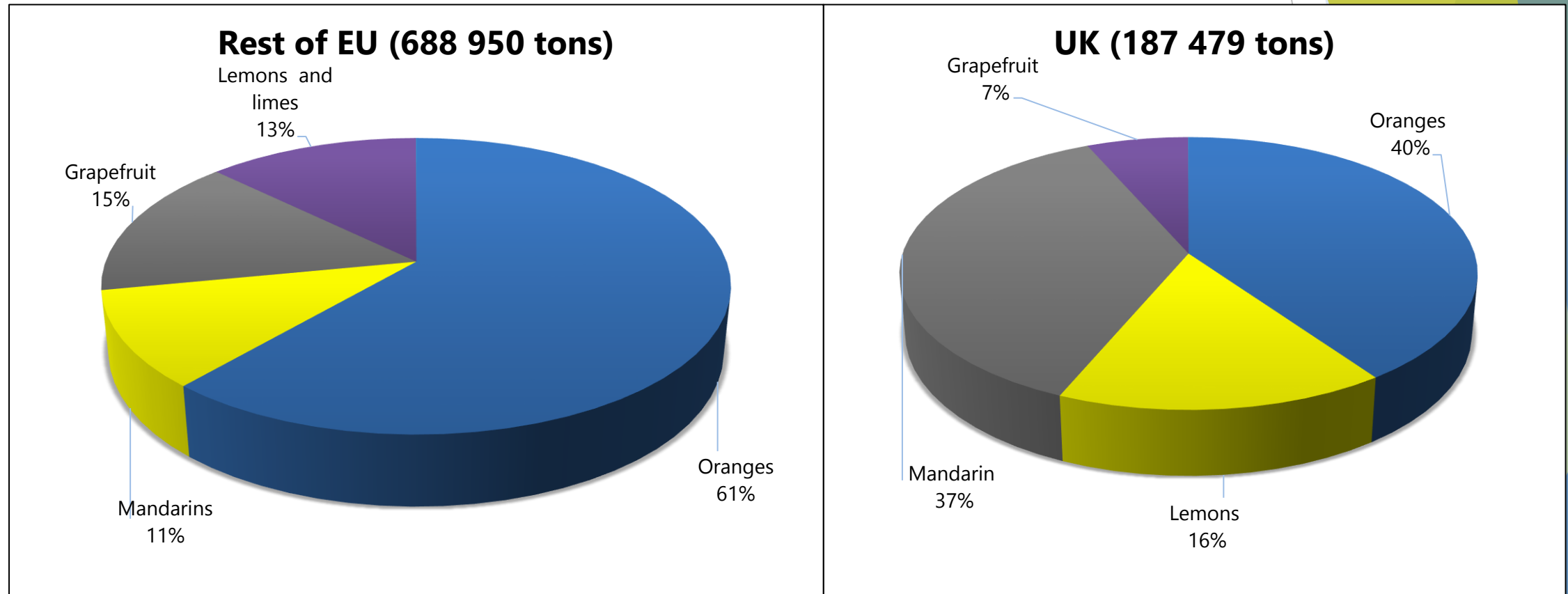
- ▶ The global and regional integration initiatives have been increasing at an exponential rate since the formation of the World Trade Organization (WTO) in the mid-1990s.
- ▶ It was also around the same time when South Africa underwent key political shifts and gain acceptance into the international community.
- ▶ Several trade negotiations started including, SADC, European Union (EU) and others which didn't materialize.
- ▶ With EU : The TDCA  EPAs  SACUM-UK 
- ▶ The EU citrus market is critical to South African citrus industry and generates an average of 42% of its total citrus export revenue from EU.
- ▶ While trade agreements led to substantial decline in tariffs, the increase in NTMs have an impact on South African citrus exports.
- ▶ The main NTMs are related to Citrus black spot (CBS), and lately False Codling Moth (FCM).
- ▶ NTMs presents a challenge for South African exporters who incur a greater cost of complying with higher standards.
- ▶ Some NTMs are less likely to apply in the UK market, and hence offers an alternative market.

# Historical trade trends

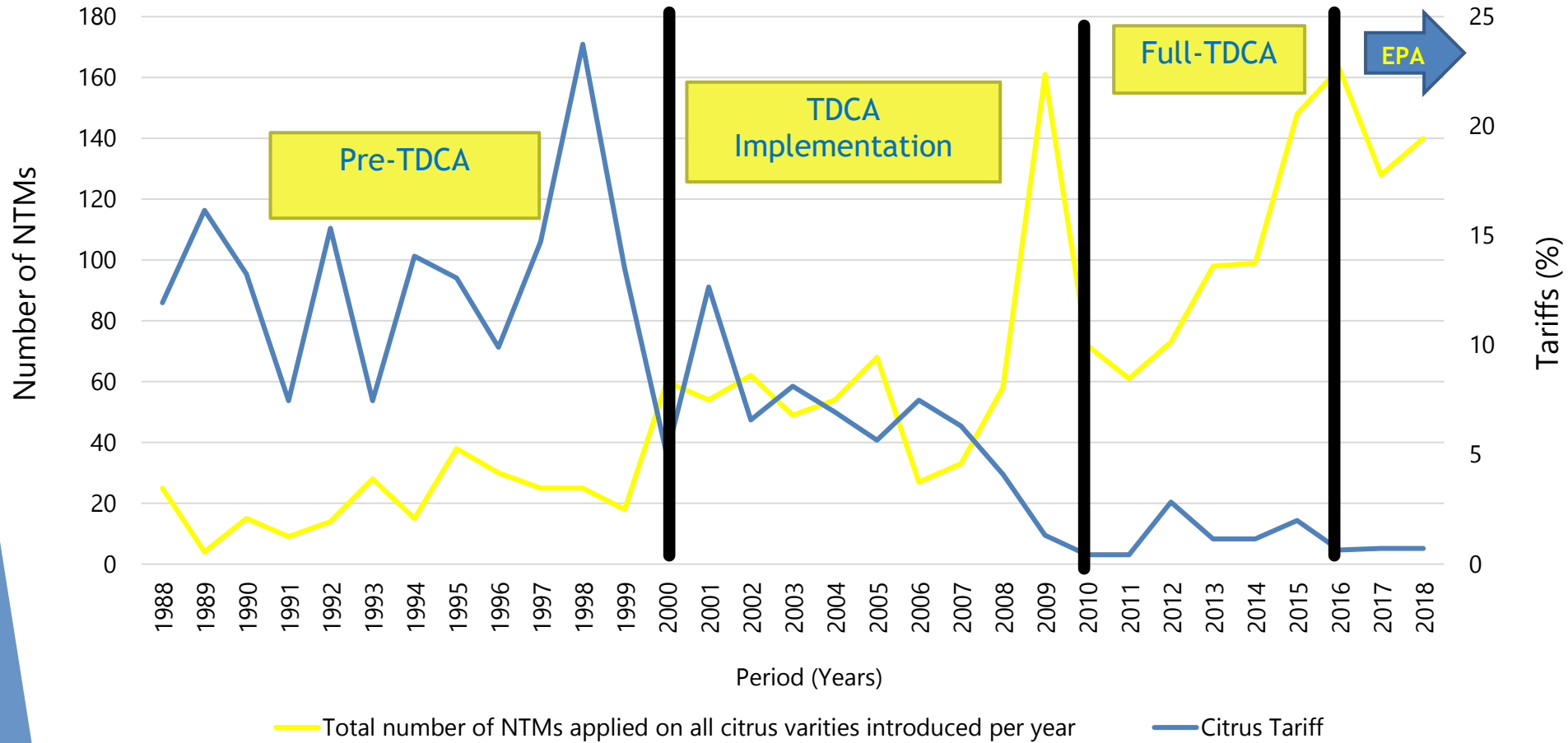


# 2018 EU and UK trade by product

- ▶ SA exports slightly diversified citrus products to the UK relative to the EU



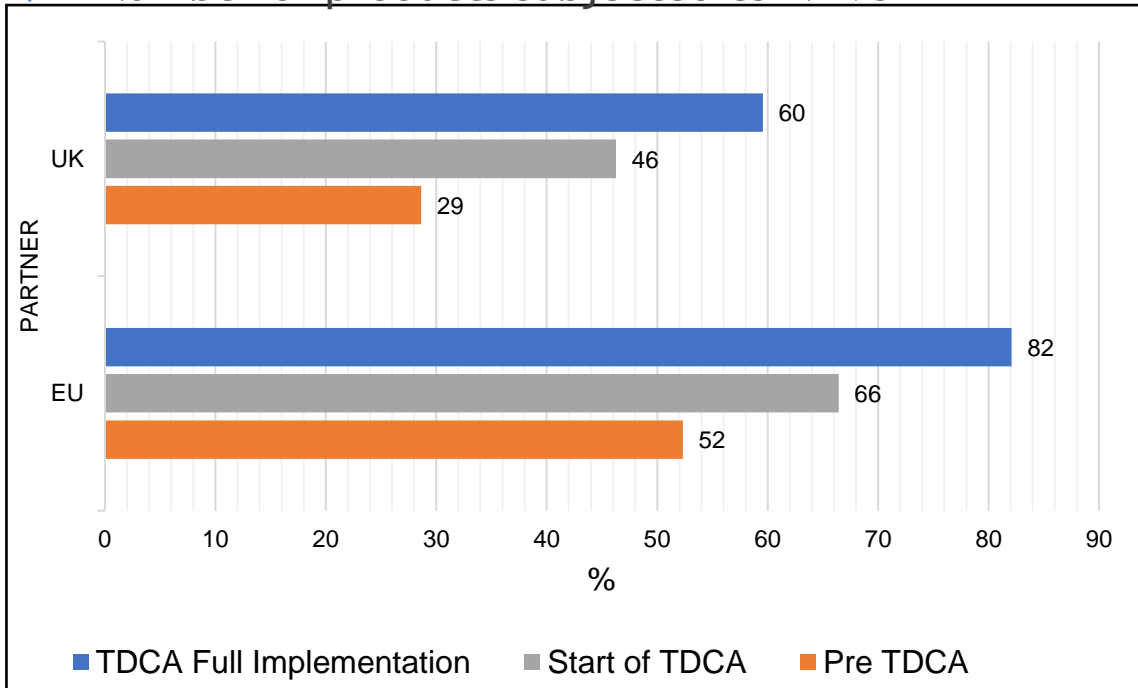
# Tariffs and NTMs in the EU



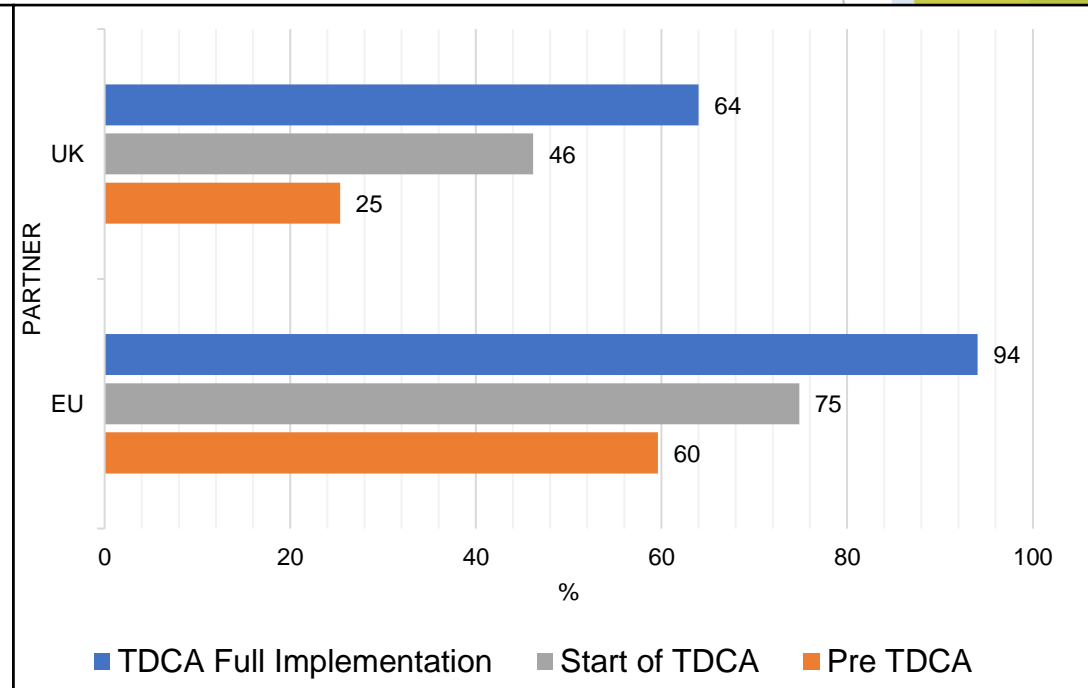
# Share of citrus products subjected to NTMs by phase

- ▶ SA citrus products are subjected to more NTMs compared to pre-trade agreements.
- ▶ More NTMs were imposed in the EU compared to UK.

▶ Number of products subjected to NTMs



▶ Value of products subjected to NTMs



# Conclusions and observations

- ▶ Overall, SA citrus trade will be easier or improve under UK compared to when UK is part of EU.
- ▶ It is possible to consider further reduction of NTMs in the UK market.
- ▶ SA and EU: need to consider equivalent standards, and new measures be introduced based on risk factors.
- ▶ Other markets are being considered, such as in the Middle-East and Asia