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South African agricultural export prospects to the BRICs

by Ron Sandrey and Taku Fundira¹

The objective of this paper is to examine the current South African agricultural export trade profile to the BRIC countries of Brazil, Russia, India and China and to explore potential future prospects for the expansion of this trade. We will be using the Global Trade Atlas data for all direct trade flows between South Africa and the BRICs, or, more correctly, perhaps between the BRICS as South Africa is now a member of the BRIC configuration. The data is expressed in US dollar (million) values, and the World Trade Organisation (WTO) definition of agriculture is used for compiling the data. We will start by showing the extant exports from South Africa to the BRICs and follow this up with an analysis of the relative importance of South African trade to the BRICs and complete the paper with a presentation of the tariff barriers and non-tariff measures that may be inhibiting this trade.

In summary, South Africa's agricultural exports to the BRIC countries are modest, and in recent years they have been around a slowly increasing 6% of the total agricultural exports. China and Russia were each the destination of around \$200 million during 2011, with India taking some \$43 million and Brazil an insignificant \$12 million. Wool, oranges and sugar have been the main exports, with other fruit to Russia and wine in general also important. From a BRIC perspective, South Africa is a minor source of agricultural imports, and in no instance has South Africa supplied even as much as 1% of the total: in most cases well below this. Tariffs do not seem to be a major problem, although there are some instances such as New Zealand's duty-free access for wool into China rather than the reported 38% general duty, they are a barrier. Non-tariff measures are a problem in these BRIC markets, but South Africa is not alone in facing these measures.

¹ We thank Nico Scheltema from the NAMC and Chad Morris from Adelaide University, Australia who undertook much of the data analysis during a Geek Week data training workshop at tralac during October 2011.

Section 1: South Africa's agricultural exports to the BRICs

The agricultural exports to the BRICs are shown in Table 1 from the initial period of 1996 through to the December 2011 year. China is the main BRIC destination, followed by Russia, India and a distant Brazil. Over the period shown, the BRIC total as a percentage of South African exports has ranged from a low of 1.29% in 2000 to the 2010 high of 6.15%. On the right-hand side 'Change' represents the increase in 2011 over the base year of 2000. The global increase by 2011 was 3.22 times the 2000 values, while the BRIC countries of China, Russia and India were well above that increase and only Brazil significantly below the average. Therefore these markets are not very important but they are growing much faster than the traditional markets.

Table 1: South Africa's agricultural exports to the BRICs, \$ million and shares

Destination	1996	2000	2005	2008	2009	2010	2011	Change
World	2,577	2,243	4,057	5,535	5,626	6,455	7,227	3.22
China	11	9	55	127	164	171	206	22.89
Russia	25	7	40	123	123	167	176	25.14
India	5	3	21	32	34	44	43	14.33
Brazil	82	10	6	7	9	15	12	1.20
BRIC total	123	29	122	289	330	397	437	15.07
BRIC %	4.77%	1.29%	3.01%	5.22%	5.87%	6.15%	6.05%	

Source: Global Trade Atlas

Starting with China we examine the agricultural exports in detail over the same period. This analysis and subsequent analyses are undertaken at the HS 6 line level, so in some cases there may be two product definitions that look the same but are slightly different at the detailed level. In recent years wool has consistently been over half of exports, with wine, fish meal and sheepskins becoming increasingly important. In later tables we will study the market shares in China, the main competitors and their market shares and the tariff rates faced by each importer into China.

Table 2: Agricultural exports to China

		1996	2000	2005	2007	2008	2009	2010	2011
HS	Total	11	9	55	111	127	164	171	206
510111	Wool	0	4	5	54	68	114	63	111
220421	Wine	0	0	1	2	4	5	10	19
230120	Fish meal	0	0	8	14	10	8	38	19
410210	Sheep skins	0	0	2	6	9	6	12	11
080510	Oranges	0	0	3	2	2	2	4	9
410150	Hides & skins	0	0	3	1	3	4	7	9
520100	Cotton	0	0	9	0	1	3	3	5
410221	Sheep skins	0	1	2	0	0	0	2	3
110220	Maize flour	0	0	0	0	0	0	0	2
240120	Tobacco	0	1	5	13	10	4	6	2
220429	Wine	0	0	0	0	2	2	1	1
170111	Sugar	3	0	4	0	0	0	0	0
Subtotal		3	6	42	92	109	148	146	191

Source: Global Trade Atlas

Next in order of importance is Russia, and Table 3 shows that these exports are almost exclusively fruit products (if you classify grape wine as a fruit product). Oranges have been the star performers, followed by increasing exports of lemons, grapefruit, pears, grapes and mandarins. Sugar, in the lower row, has been included because it has been important in some years.

Table 3: Agricultural exports to Russia

		1996	2000	2003	2005	2007	2008	2009	2010	2011
HS	Total	25	7	55	40	89	123	123	167	176
080510	Oranges	5	4	26	18	43	41	46	76	72
080550	Lemons	0	0	3	1	1	4	7	14	18
080540	Grapefruit	0	0	1	2	8	9	7	11	16
080820	Pears	0	0	2	2	7	14	13	16	15
080610	Grapes	0	0	2	4	4	15	8	15	14
080520	Mandarins	0	0	1	3	4	6	7	8	10
080810	Apples	3	1	3	1	3	9	6	3	8
220429	Wine	0	0	0	0	1	9	4	4	5
200870	Peaches	0	0	0	1	2	3	2	8	4
220421	Wine	0	0	1	2	5	4	3	3	4
200799	Jams, etc.	1	0	1	0	0	0	0	2	3
200949	Pineapple juice	0	0	1	1	1	1	0	0	3
170111	Sugar	8	0	11	0	0	0	14	0	0
Subtotal		17	5	52	35	79	115	117	160	172

Source: Global Trade Atlas

Wool almost completely dominates the exports to India, with three separate lines shown in Table 4, although there is some activity in the fruit trade and sugar was important in the early years. India is a large sugar producer, but it is also a large sugar consumer. Its domestic supply/consumption equation is roughly in balance, meaning that it is a 'swing' trader on the international market importing in some years and exporting in others. Pears and oranges are starting to gain a presence in the Indian market.

Table 4: Agricultural exports to India

		1996	2000	2003	2005	2007	2008	2009	2010	2011
HS	Total	5	3	6	21	34	32	34	44	43
510111	Wool	1	0	2	6	16	20	17	31	30
080820	Pears	0	0	0	0	1	1	1	2	4
510119	Wool	0	0	0	0	0	0	0	0	2
080510	Oranges	0	0	0	0	1	0	1	2	1
510121	Wool	0	0	0	0	0	0	0	0	1
170111	Sugar	0	0	0	5	12	5	10	0	0
Subtotal		1	0	2	11	30	26	29	35	38

Source: Global Trade Atlas

South African agricultural exports to Brazil are, at best, modest. After all, what present do you give to someone who has everything? There are two lines of alcohol dominating the trade, and in the early years ethyl alcohol was important.

Table 5: Agricultural exports to Brazil

		1996	2000	2003	2005	2007	2008	2009	2010	2011
HS	Total	82	10	6	6	7	7	9	15	12
220870	Liqueurs	0	1	1	2	3	3	3	5	5
220421	Wine, casks	0	0	0	1	2	1	2	4	3
080620	Grapes, dried	0	0	0	0	0	0	1	2	1
120720	Cotton seeds	0	0	0	0	0	0	0	0	1
120991	Vegetable seeds	0	0	0	1	0	0	0	0	1
220300	Beer	6	0	0	0	0	0	0	0	0
220710	Ethyl alcohol	0	4	0	0	0	0	0	0	0
220720	Ethyl alcohol	74	2	0	0	0	0	0	0	0
Subtotal		80	7	1	4	5	4	6	11	11

Source: Global Trade Atlas

The grand totals for all four BRICs combined over the 16 years from 1996 to 2011 inclusive are shown in Table 6. Over this period some 4.3% of South Africa's total agricultural exports went to the BRICs, but the bottom row shows that where the BRICs are important, a greater 8.0% of the total went to these BRICs. Ranked by HS codes, wool is the top HS 6 export line,

followed by oranges, cane sugar and ethyl alcohol. The 15 lines shown represent \$2,064 million (79.1%) of the \$2,611 million in exports over the period. The exports of wool to the BRICs represented some 39.4% of total South African global exports over the period (right-hand column), while for oranges, the second most important export HS line, the BRICs took 9.9% of the total global exports.

Table 6: Top 15 HS lines aggregated to BRICs, 1996 to 2011, \$ million and % share RSA exports

		to BRICs	Global	% to BRICs
HS code	Grand total	2,611	60,636	4.3%
510111	Wool	590	1,497	39.4%
080510	Oranges	457	4,602	9.9%
170111	Cane sugar	155	2,674	5.8%
220720	Ethyl alcohol	142	331	42.9%
230120	Fish meal & pellet	106	268	39.6%
080820	Pears and quinces	90	1,269	7.1%
220421	Wine	87	5,559	1.6%
080610	Grapes	74	3,855	1.9%
240120	Tobacco	67	422	15.9%
080540	Grapefruit	62	1,024	6.1%
080550	Lemons and limes	52	702	7.4%
410210	Sheep, lamb skins	52	248	21.0%
080810	Apples	51	2,522	2.0%
080520	Mandarins	46	729	6.3%
410150	Whole hides & skins	33	140	23.6%
	Subtotal	2,064	25,842	8.0%

Source: Global Trade Atlas

Table 7 again shows the top 15 aggregated HS 6 lines to the BRICs combined, but this time the data is ranked by the percentage of the line that has gone to the BRICs over the entire period. Ethyl alcohol, an export in earlier times, is ranked number one with 42.9% destined for the BRICs. Table 7 emphasises the importance of the BRICs to South Africa in these 15 trade lines, as the bottom right-hand entry of the table shows that 16.3% of the global exports in these HS lines went to the BRICs over the entire period. Nine of the entries are

common to both tables, suggesting that where the values are high they are more important to South Africa than just the raw data would indicate.

Table 7: Top 15 HS lines aggregated to BRICs, 1996 to 2011, \$ million and ranked by % share of total RSA exports

		to BRICs	Global	% to BRICs
HS code	Grand Total	2,611	60,636	4.3%
220720	Ethyl alcohol	142	331	42.9%
230120	Fish meal & pellet	106	268	39.6%
510111	Wool	590	1,497	39.4%
050400	Animal guts, etc.	11	41	26.8%
510219	Animal hair	12	46	26.1%
410150	Whole hides & skins	33	140	23.6%
410210	Sheep, lamb skins	52	248	21.0%
520100	Cotton	32	156	20.5%
240120	Tobacco	67	422	15.9%
240110	Tobacco	18	155	11.6%
080510	Oranges	457	4,602	9.9%
410390	Raw hides other	11	146	7.5%
080550	Lemons and limes	52	702	7.4%
220870	Liqueurs and cordials	30	417	7.2%
080820	Pears and quinces	90	1,269	7.1%
	Subtotal	1,703	10,440	16.3%

Source: Global Trade Atlas

Section 2: BRIC import data and reconciliation

Table 8 shows the complete picture for South Africa's agricultural trade with the BRICs. It shows each BRIC in turn, starting with the South African exports for each and every year since 1999, with this followed by the comparable BRIC import data from South Africa. The third row is the ratio of BRIC import data over South African export data in the reconciliation exercise. We would normally expect this to be a ratio of over 1.0, and possibly as high as 1.15 given that import data usually includes the costs associated with shipment while export

data does not.² Finally, the fourth row shows South African imports into each BRIC as a percentage of the total BRIC imports.

In general, the table gives a consistent picture. In the right-hand column the ratio of BRIC imports to South African exports is 1.42 with Russia, 1.25 with India and 1.36 with China – all perhaps a little higher than we would have expected – but then, the high transaction costs associated with these markets may be a factor. For Brazil, the reconciliation over the period is exactly the same. More differences are apparent in the individual annual reconciliation, but several factors such as shipping times and currency fluctuations may explain much of this. Finally, the fourth row for each BRIC shows the percentage share of agricultural imports held by the respective BRIC. South Africa has the highest overall average share in Russia, and the 0.57% share is very consistent across years. This is followed by the average share of 0.36% in India and the slightly lower 0.31% in China, again with a degree of consistency across the years. Finally, the lowest share is in Brazil, but again the share is reasonably consistent. This consistency suggests that exporters are building valuable business relationships that are standing the test of time and the markets are not being treated as one-off ‘opportunity’ markets.

The individual BRIC perspective³

The next set of four tables following from Table 8 provides trade data from the GLOBAL Trade Analysis set from each of the BRIC countries along with tariff data sourced from the Market Access Data (MacMaps)⁴ website. The first two columns provide the HS code and product description, followed by four columns that detail the four main competitors to South African imports. In each cell are 1) the country, 2) the relative market share, and 3) the tariff faced by that importer on these imports. Note that there may be some approximation in the actual data as occasionally more than one tariff line is provided at the HS 6 line detail. Finally, on the right-hand side we show firstly South Africa’s market share during 2011 for each line and the tariff reported by MacMaps for these South African

² This is not the case with South Africa, where import data is published as equivalent to export data as it does not contain the shipping and associate transaction costs. As South Africa is one of the very few countries operating this way it consistently undervalues imports relative to most countries.

³ We thank Nico Scheltema from the NAMC for this information gleaned during tralac’s ‘Geek Week’ in October 2012.

⁴ Available: <http://www.macmap.org/Main>.

imports. The format is the same for China, Russia, India and Brazil (listed not by their BRIC acronym but by their importance as export destinations for South Africa). As outlined above, these tables presenting South African imports are meagre.

Table 8: The big picture: South African exports and the BRIC imports, \$ million; reconciliation ratio; and RSA share BRIC imports

	Brazil													
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
RSA exports \$m	4	10	6	3	6	5	6	7	7	7	9	15	12	97
BRIC imports \$m	6	12	7	3	6	4	5	5	8	7	9	13	12	97
Reconciliation	1.5	1.2	1.2	1.0	1.0	0.8	0.8	0.7	1.1	1.0	1.0	0.9	1.0	1.00
Imports % share total	0.15%	0.30%	0.21%	0.09%	0.17%	0.13%	0.16%	0.12%	0.15%	0.09%	0.14%	0.16%	0.11%	0.15%
	Russia													
RSA exports \$m	29	7	22	22	55	53	40	69	89	123	123	167	176	975
BRIC imports \$m	40	13	32	48	66	69	56	104	135	194	178	215	233	1,383
Reconciliation	1.4	1.9	1.5	2.2	1.2	1.3	1.4	1.5	1.5	1.6	1.4	1.3	1.3	1.42
Imports % share total	0.50%	0.18%	0.36%	0.49%	0.60%	0.55%	0.36%	0.53%	0.55%	0.61%	0.68%	0.69%	0.63%	0.57%
	India													
RSA exports \$m	4	3	8	6	6	20	21	9	34	32	34	44	43	264
BRIC imports \$m	34	22	16	7	15	25	28	8	20	28	37	48	41	329
Reconciliation	8.5	7.3	2.0	1.2	2.5	1.3	1.3	0.9	0.6	0.9	1.1	1.1	1.0	1.25
Imports % share total	0.89%	0.77%	0.48%	0.19%	0.33%	0.51%	0.51%	0.14%	0.29%	0.33%	0.32%	0.36%	0.25%	0.36%
	China													
RSA exports \$m	10	9	13	8	23	26	55	69	111	127	164	171	206	992
BRIC imports \$m	15	14	19	17	16	16	47	67	140	153	215	299	333	1,351
Reconciliation	1.5	1.6	1.5	2.1	0.7	0.6	0.9	1.0	1.3	1.2	1.3	1.7	1.6	1.36
Imports % share total	0.20%	0.14%	0.18%	0.16%	0.09%	0.06%	0.18%	0.23%	0.37%	0.28%	0.44%	0.44%	0.38%	0.31%

Source: Global Trade Atlas

Table 9: Chinese agricultural imports from South Africa, 2011. Competitor shares and tariff rates and South African market shares and tariffs

HS	Product	Rank 1	Rank 2	Rank 3	Rank 4	SA 2011 share	RSA Duty%
510111	Wool	Australia; 79.7; 38	New Zealand; 6.9; 0	Uruguay; 1.7; 38	Argentina; 1.1; 38	4.6	38
410150	Skins	US; 56.7; 6.1	Australia; 14.5; 6.1	Canada; 7.5; 6.1	Germany; 3.5; 6.1	3.9	6.1
080510	Oranges	US; 66.2; 11	Taiwan; 0.9; 11	Australia; 0.2; 11		32.7	6.2
220421	Wine casks	France, 55.3, 14	Australia, 15.2, 14	Italy; 6.1; 14	Chile, 5.4, 5.6	1.6	14
230120	Fish meal	Peru; 38.8; 2.4	US; 13.1; 3.5	Chile; 11.4; 1.4	Russia; 3.7; 3.5	1.1	3.5
410120	Hides & skin	Netherlands; 22.1; 6	New Zea.; 20.1; 0.53	US; 10.3; 6	Uruguay; 5.8; 6	29.8	6
200870	Peaches, tins	Greece; 6.7; 15	Chile; 4.8; 4			88.2	15
520100	Cotton	US; 29.5; 6.8	India; 28.8; 6.8	Australia; 16.5; 6.8	Brazil; 6.9; 6.8	0.1	10
080260	Macadamia	Australia; 72.8; 12	Zimbabwe; 7.5; 12	Kenya; 3.2; 12	Thailand; 1.8; 0	14.5	12

Source: Chinese Global Trade Atlas data and MacMaps for tariffs

Note the high tariffs in several of the trade lines, and in particular the 38% on wool, a common tariff for each importer except New Zealand as New Zealand has a Free Trade Agreement (FTA) with China. This FTA applies to HS 410120 (hides and skins) where there is an advantage through the FTA. Also note that Chile has a preference in grapes and tinned peaches (where South Africa has an overwhelming market share) and Thailand in macadamia nuts. South Africa appears to have a preference in oranges, an import where it has a significant market share.

Table 10: Russian agricultural imports from South Africa, 2011. Competitor shares and tariff rates and South African market shares and tariffs

Product	Rank 1	Rank 2	Rank 3	Rank 4	SA 2011 share	RSA Duty%
080510 Oranges	Egypt; 36.8; 3.75	Turkey; 18.0; 3.75	Morocco; 13.2; 3.75	Spain; 4.7; 5.0	4.6	6.2
080550 Lemons	Turkey; 52.5; 3.81	Argentina; 20.0; 3.81	Spain; 10.0; 5.08	China; 1.3; 3.81	3.9	7.6
080540 Grapefruit	Turkey; 37.9; 3.75	China; 21.7; 3.75	Israel; 13.4; 5.0	Mexico; 2.5; 3.75	32.7	5.9
080820 Pears	Belgium, 37.7, 6.63	Argentina, 21.3, 10	Netherlands, 15.3, 6.63	Spain, 3.8, 6.63	1.6	16.5
080610 Grapes	Turkey; 35.0; 3.75	Uzbekistan; 16.0; 0.0	Chile; 11.3; 3.75	Italy; 9.6; 5.0	1.1	3.8
080520 Mandarins	Morocco; 27.2; 3.75	Turkey; 23.7; 3.75	Pakistan; 11.1; 3.75	Spain; 9.4; 5.0	29.8	7.0
080810 Apples	Poland; 21.3; 22.0	China; 11.0; 16.5	Italy; 10.1; 22.0	Serbia; 8.7; 0.0	88.2	22.0

Source: Russian Global Trade Atlas data and MacMaps for tariffs

There are differences in the reported tariffs here, although these are minor except for 1) South Africa's and to a lesser extent Argentina's high tariffs on oranges, 2) the variation in pears with South Africa being the highest, and 3) Uzbekistan's preference in grapes and Serbia's free entry of apples. The latter is of special interest as South Africa faces high tariffs despite a market share of 88%. We do note that the Russian tariff schedule from MacMaps has more than one entry at times per HS 6 line, and these differences could be partly seasonal.

Table 11: Indian agricultural imports from South Africa, 2011. Competitor shares and tariff rates and South African market shares and tariffs

	Product	Rank 1	Rank 2	Rank 3	Rank 4	SA 2011 share	RSA Duty%
510119	Wool	Australia; 63.1; 5	USA; 4.3; 5	China; 4.0; 5	Argentina; 1.7; 5	10.6	5
080820	Pears	China; 42.9; 30	USA; 24.0; 30	Germany; 1.5; 30	Italy; 1.4; 30	22.1	30
510129	Wool	Australia; 27.3; 5	New Zealand; 23.3; 5	China; 7.5; 5	Russia; 4.3; 5	2.5	5
080510	Oranges	USA, 47.0, 30	Australia, 19.2, 30	Egypt, 11.8, 30	China, 3.8, 30	7.3	30
510121	Wool	UK; 38.8; 5	Uruguay; 20.3; 5	Australia; 15.5; 5	China; 9.8; 5	1.3	5

Source Indian Global Trade Atlas data and MacMaps for tariffs

India has low (5%) tariffs on fruit for all but high (30%) and similarly even tariffs for all on most lines of wool. South Africa is competing well in pears.

Table 12: Brazilian agricultural imports from South Africa, 2011. Competitor shares and tariff rates and South African market shares and tariffs

Product	Rank 1	Rank 2	Rank 3	Rank 4	RSAShare	Duty
220870 Liqueurs, etc.	Italy; 10.0; 20.0	Ireland; 8.3; 20.0	German; 5.9; 20.0	France; 5.7; 20.0	57.1%	20
220421 Wine	Chile; 32.5; 0.0	Argentina; 22.5; 0.0	Italy; 13.6; 27.0	Portugal; 13.3; 27.0	0.8%	27
080620 Grapes, dried	Argentina; 83.8; 0.0	Chile; 5.1; 0.0	Turkey; 3.4; 10.0	Iran; 2.4; 10.0	1.9%	10
120720 Cotton seeds					100%	4
120991 Vegetable seeds	US; 18.3; 0.0	China; 13.8; 0.0	Chile; 13.0; 0.0	Israel; 9.2; 0.0	3.1%	0

Source: Brazilian Global Trade Atlas data and MacMaps for tariffs

This is meagre fare, and the tariff advantages to Mercosur and Chile are apparent. South Africa competes strongly in HS 220870, a line of liqueurs, and has a mortgage on the minor imports of cotton seeds.

Section 3: Non-Tariff Measures (NTMs) – Brazil, Russia, India, China⁵

NTMs can be defined as all measures other than normal tariffs and mainly include trade-related procedures, regulations, standards, licensing systems, and even trade defence measures such as anti-dumping duties, which have the effect of restricting trade between nations. A significant amount of research is being devoted to examining these barriers to trade, as their importance grows with the reduction in traditional tariff barriers. A very good reference point for examining these barriers is the WTO listing of the main global deposits of these barriers (WTO 2012). For individual countries, the WTO Trade Review Mechanism Reports (TPRM) are valuable sources of information, especially on agricultural barriers. A comprehensive collection of publicly available information on non-tariff measures is available at the Trade Analysis and Information System (TRAINS) developed by the United Nations Conference on Trade and Development (UNCTAD), where information on trade, tariffs and NTMs by Harmonised System (HS) tariff line can be found. Sandrey et al. (2008) examined specific trade barriers in China and India facing South African agricultural exporters.

Unfortunately, these barriers seem to be increasing. According to the director-general of the WTO in his report on trade-related developments issued on 29 June 2012, 'there has been no slowdown in the imposition of new trade restrictions over the past seven months'. He noted that 'the more recent wave of trade restrictions seems no longer to be aimed at combating the temporary effects of the global crisis, but rather at trying to stimulate recovery through national industrial planning, which is an altogether longer-term affair'.⁶ This is a worrying trend.

The objective for this section is more to provide a solid introduction to the types of barriers expected in the BRIC markets rather than to present a detailed profile for each country. The tables below provide an overview as given by the WTO TPRM for each country, and it can be regarded as a base starting point rather than a comprehensive and exhaustive listing for each country – if indeed such a list does exist.

⁵ We thank Chad Morris who interned at tralac whilst on leave from Adelaide University, Australia for this information compiled during tralac's 'Geek Week' in October 2012.

⁶ See http://www.wto.org/english/news_e/news12_e/devel_29jun12_e.htm.

Table 13: A selection of the main non-tariff measures inhibiting imports into the BRICS

Brazil	Russia
<ul style="list-style-type: none"> • Import licensing procedures, valuation of goods at customs, pre-shipment inspection, and rules of origin of goods are just some of Brazil's NTMs. • There are a number of internal measures to assist agricultural production including guaranteed producer prices and credit at preferential rates. • Internal tax system is complex and the tax between federal and states in effect doubles the actual cost of importing into Brazil. • Goods from long distances are charged an additional 25% merchant marine tax, whereas Mercosur countries are not obliged to pay this due to the close proximity to Brazil. • Labelling and marking requirements are very complex. All labels need to be in Portuguese. • The cost of banking is high; long credit terms are the usual practice; a 90-day payment term is normal. • Automatic and non-automatic licences for imports are applied through SECEX. Agricultural products require mostly non-automatic licences. • Technical Barriers to Trade (TBTs) are the most common NTMs used in Brazil – standards and regulations are generally more stringent than common international standards • The agricultural sector receives various domestic support measures from the government in the form of price support and stabilisation, option contracts and guaranteed minimum price, although overall these support measures are low. • Brazil continues to be an active user of anti-dumping measures. 	<ul style="list-style-type: none"> • Government regularly adjusts its national import regulations including tariffs and licensing without notice. • There is extensive state interference, bureaucratic inconsistencies and regulatory obscurity. • Legal framework is poor, rule of law is not strongly maintained and the judiciary is not independent of political pressures, nor is it consistent with applying the law. • The protection of private property is weak. • All labelling needs to be in Russian with the relevant information. • Agricultural products require a certificate of conformity to allow customs clearance; these are mandatory. Food products, goods of animal origin and plant products also require further certifications –a hygiene certificate for food products, a veterinary certificate for animal products and a phytosanitary certificate for plant products. • Corruption continues to remain a concern. • State-owned enterprises continue to influence prices as well as government subsidies. • National standards and verification procedures often differ from other national, regional and international standards (ISO standards) and foreign standards. • Applying for an entry visa to Russia can be rather burdensome. • Tax laws are complicated and unpredictable, and notification of changes are not communicated in a timely manner.

	<ul style="list-style-type: none"> • Customs procedures are costly and burdensome. Officers are arbitrary in their interpretation of customs legislation. • Most Sanitary and Phytosanitary (SPS) measures are not consistent with international standards and are not backed by any scientific justification.
<p>India</p>	<p>China</p>
<ul style="list-style-type: none"> • Agricultural support policies promote domestic production at the expense of import. Import prohibitions and restrictions are used to ensure domestic supply of specific products, and are removed or applied as the circumstances require. • NTMs include price support, input subsidies, prohibition of imports, strict inconsistent SPS requirements and burdensome customs procedures. • India's import regime remains complex, especially its licensing and permit system, as well as its tariff structure which has multiple exemptions that vary according to product, user, or specific export promotion programs. • Products that were previously subject to quantitative restrictions are now considered as sensitive products and are therefore subject to above-average tariff rates. These include bamboo, cocoa, copra, cotton, milk and milk products, edible oils, good grains, fruits and vegetables, poultry, tea and coffee, spices and sugar. • There is a wide gap between bound and applied tariffs, which allows the government to modify its tariffs substantially while still complying with WTO requirements. However, India tends to modify these frequently depending on domestic and international conditions. The variability is a complex process and creates uncertainty for importers. • It is common for the government to link the use of trade policy instruments to domestic policy considerations. The government has a tendency to reduce the restrictions on certain imported items when 	<ul style="list-style-type: none"> • Excessive government intervention occurs – some government agencies have yet to embrace the principles of the WTO of market access, non-discrimination and transparency. • Before filing a customs declaration the individuals or organisation needs to be registered as a foreign trade operator with the Ministry of Commerce (MOFCOM) and Customs. • SPS problems include questionable and arbitrary practices, questionable scientific bases and transparency, with the inconsistencies creates confusion for trades as to if their goods will pass. WTO members have at times questioned the stringent SPS and TBT measures placed on imported goods, whereas domestically made goods are not required to meet the strict standards. • Increasingly, not all trade-related information is being freely made available to the public, thereby restricting importers to be able to make comments or easily adjusting their products to the new regulations. • There are four levels of standards: national, trade, local and enterprise standards. These vary according to the international standards. Only 46% of national standards have been adopted from international standards and foreign standards. • Customs officers are inconsistent with the classification of imports and their valuation of imports; it is therefore difficult to anticipate border charges.

there is a need in the domestic market for them and then to tighten them again when they are not needed.

- In addition to the standard tariff rate, importers are also required to pay additional duty ('countervailing duty') and special additional duty: the education cess and the secondary, higher education cess.
- Importing companies must obtain an importer exporter code from the General of Foreign Trade.
- It currently takes 20 days to clear imported products, including 9 days for document preparation and 4 days for customs clearance and technical inspections..
- A landing charge of 1% of cost, insurance, and freight (CIF) value is added to the CIF value.
- SPS measures are applied inconsistently, are irregular and not transparent, for example, SPS measures seem to be less restrictive when India has a shortage of a particular product.
- All goods imported must be labelled in English and in Hindi; in some instances companies may be required to also have the local language which could be one of India's 16 official languages.
- State trade companies play a significant role in managing the supply and price of certain agricultural products (some cereals, copra, and coconut oil), urea, and petroleum oils. Controls are based domestic conditions.
- Although 84% of goods are harmonised with international standards, 16% are based on domestic regulatory standards.
- Some products are required to enter predetermined ports.
- Customs clearance remains slow and expensive compared to other international ports.
- Government frequently changes its tariff rates without notification,
- The country does not apply the same high SPS standards on domestic products as it does with imported products.
- Labelling requirements with the necessary information for all imported products need to be in Mandarin (characters).
- State trading enterprises restrict the imports of certain agricultural products. These state trading companies have exclusive rights to import certain products. Price distortion occurs as they have a monopoly of products.
- Discrepancies between central and provincial agencies on import requirements exist, creating delays for the approval of imports to pass.
- Value-added tax (VAT) is not applied consistently to Chinese agricultural goods as it is to imports. Even when the same VAT rate is applied, the way it is calculated differs, with a more positive result for domestic producers.
- Duplication of inspection and classification of products occur.
- Tariff rate quotas (TRQs) are still applied to eight categories of imported good: wheat (6 lines), maize (5), rice (14), sugar (6), wool (6), wool tops (3), cotton (2), and chemical fertilisers (3).
- China still has a policy for the farming sector that distorts the market mechanism mainly through its subsidy on farming production and pricing.
- China also uses export prohibition to keep domestic prices low.
- The domestic agricultural sector obtains domestic support in the form of direct subsidies, input subsidies and market-price support.

<p>particular on agricultural goods.</p> <ul style="list-style-type: none"> • Central and states provinces are inconsistent in their requirements of imported goods. • Tariff rate quotas are maintained on five lines at the HS six-digit level • Corruption and the irregular application of the law continue. <p>India is one of the most active members of the WTO to use anti-dumping measures.</p>	
<p>India</p>	<p>China</p>

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