

NON-TARIFF MEASURES OF CRITICAL IMPORTANCE FOR SOUTH AFRICA'S AGRICULTURAL TRADE

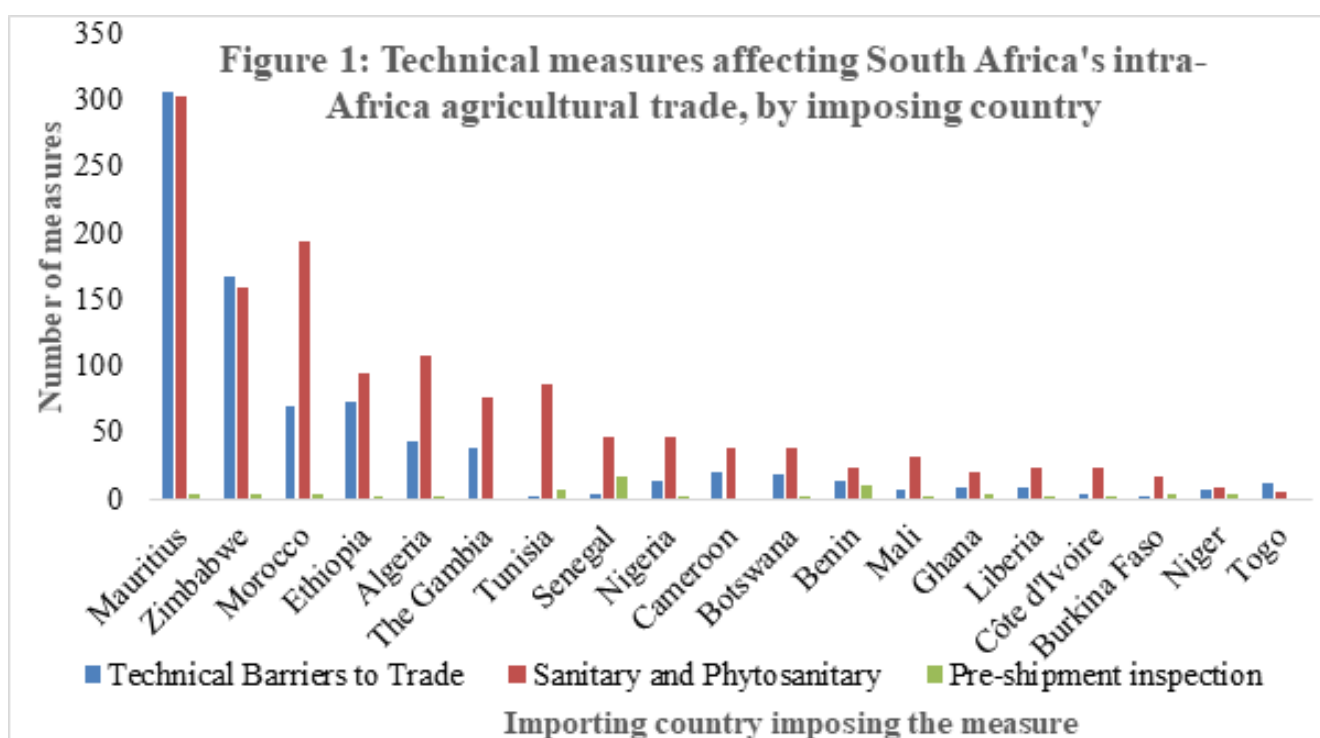
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With the recent enactment of the African Continental Free Trade Area (AfCFTA), expectations are high that intra-Africa trade will flourish. However, it is important to caution that the anticipation of intra-Africa trade blossoming should not be overestimated given that it will not come to fruition within a short timeframe due to a number of outstanding glitches, including; agreeing on tariff concessions and addressing issues pertaining to the Rules of Origin (RoO), among others. Tariff related issues can be addressed within the medium term (3-5 years) while non-tariff related challenges, including poor infrastructure, the poorly coordinated and unharmonized technical - and non- technical requirements for products across countries can only be fully addressed in the long-term (10 years and more).

In this brief, I provide an insight into the key Non-Tariff Measures (NTMs) affecting South Africa's agricultural trade performance within Africa. UNCTAD (2009) defines NTMs as policy measures, other than customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both. Particular attention is accorded to technical measures faced by South Africa while gaining market access into other African countries. Technical measures are

broadly classified as Sanitary and Phytosanitary measures (SPS), Technical Barriers to Trade (TBTs), and Pre-shipment inspection and other formalities (PSI). The SPS category refers to measures relating to restrictions for substances, hygienic requirements, or other measures through which the spread of pests and diseases can be controlled. In addition, SPS also include all conformity assessment measures relating to food safety, i.e. testing and certification, quarantine and certification. TBTs on the other hand refer to measures relating to labelling, human safety and other measures designed to protect the environment. Also, TBTs entail technical requirements such as certification, testing and inspection. PSI measures include assessments made in the exporting country to ensure that a shipment/product conform to the requirements in the targeted export market.

According to the United Nations Conference on Trade and Development (UNCTAD), NTMs were derived on the basis of official regulations implemented by countries across the continent. South Africa's intra-Africa agricultural trade is highly characterised of a large number of SPS measures (1340), followed by TBTs (816). There are 64 PSI measures and they are not as such a critical concern (See **Figure 1**). The focus in this brief is drawn on TBTs and SPS measures.



Source: Author's analysis based on data from UNCTAD

At importing country level, Mauritius has the greatest number of both TBTs and SPS requirements that must be met before South Africa's agricultural exports to gain access into that country. This is followed by Zimbabwe, Morocco and Ethiopia among other countries as presented in Figure 1.

For the TBTs, Mauritius has about 306 requirements while Zimbabwe follows with 167 requirements. In the case of SPS measures, Mauritius is still the most restrictive with just over 300 requirements that must be met, followed by Morocco (193 requirements), Zimbabwe (158 requirements), Algeria (107) and Ethiopia (94 requirements) among other countries. South Africa's agricultural products must meet each of the relevant SPS and TBT requirements so to gain access into these markets. Most affected

products are live animals and products under HS codes 02 and 03, and processed products like infant formula (HS 16) and prepared foodstuff like beverages, spirits under HS 22. In the case of products for which there is some form of agro-processing, the general aspects relating to packaging materials used, labelling on the packaging containers, declaration of the additives used, and the minimum acceptable levels of certain types of chemicals such as melamine, phosphorus are very critical.

For example, photos below provide an insight into some of the SPS and TBT measures faced by South Africa and other partner countries that export canned meat and cereal-based food for children to Mauritius.

Table 1: Selected SPS measures faced by South Africa to gain market access into Mauritius

Canned meat
16024910
325.Canned meat(a)shall be - (iii)heat-processed to ensure preservation;
325.Canned meat(b)may contain -(i)salt, water or brine;(ii)sodium nitrate, potassium nitrate, sodium nitrite or potassium nitrite, alone or in
Canned meat with other food
16024910
326.Canned meat with other food(b)may contain -(i)sodium nitrate, potassium nitrate, sodium nitrite or potassium nitrite, alone or in combi
326.Canned meat with other food(a)shall be - (iii)heat-processed to ensure preservation;
326.Canned meat with other foodCanned meat with other food -(a)shall be -(ii)packed in a clean and hermetically sealed container; and
Cereal-based food for an infant or a child
160210, 190110, 200510, 200710, 210690
182(1) No person shall import, manufacture, process, pack, store, offer for sale or sell anycereal-based food for an infant or a child unless
183(3)(a)No person shall import, manufacture, process, pack, store, offer for sale or sell a cereal-based food for an infant or a child which
183.Special labelling requirements for cereal-based food(1)No person shall import, manufacture, pack, store, offer for sale or sell any cere
Cereal-based food for infants and children
160210, 190110, 200510, 200710, 210690
182(2)(d)No cereal-based food for infants and children and no ingredients used in the manufacture of such food shall have been treated w
Cocoa, cocoa powder and soluble cocoa
1801, 1805, 180610, 180620
154. Cocoa or cocoa powder or soluble cocoa (c) may contain flavouring substance and food conditioner as provided in Thirty- Ninth Sch

Source: Author's analysis based on data from UNCTAD

Table 2: Selected TBT measures faced by South Africa to gain market access into Mauritius

TBT
Canned food for an infant and a child
160210, 190110, 200510, 200710, 210690
178.Definition of canned food for an infant and a childCanned food for an infant or a child shall be any wholesome food or mixture of who
Canned food for an infant or a child
160210, 190110, 200510, 200710, 210690
180(2) No person shall import, manufacture, process, pack, store, offer for sale or sell a canned food for an infant or a child which does n
Cereal-based food for an infant or a child
160210, 190110, 200510, 200710, 210690
183(2) No person shall import, manufacture, process, pack, store, offer for sale or sell a cereal-based food for an infant or a child which d
Cereal-based food for an infant or a child shall
160210, 190110, 200510, 200710, 210690
181.Definition of cereal-based food for an infant or a childCereal-based food for an infant or a child shall be -(a)food based on cereal, nut
Cereal-based food for infants and children to be taken with milk
160210, 190110, 200510, 200710, 210690
182 (2)(b)The minimum content of protein in cereal-based food for an infant or a child other than cereal-based food for infants and childre
Infant formula
160210, 190110, 200510, 200710, 210690
174.Definition of infant formulaInfant formula shall be a substitute for human milk for the feeding of infant but does not include unsweetene
177(2) No person shall import, manufacture, process, pack, store, offer for sale or sell an infant formula which does not include the nutrien

Source: Author's analysis based on data from UNCTAD

Overall, the analysis revealed that TBTs affecting intra-Africa agricultural trade are highest in “prepared food stuff (beverages, spirits ...)” followed by “vegetable products” while SPS measures are also highest in “prepared food stuff” followed by “live animals and products”, and “vegetable products”. Conclusively, there is a need for the governments of African states to work closely with the private sector in the agricultural sector to harmonise regulations across regional economic communities (RECs) and the continent at large to reduce on NTMS. This will greatly foster a smoother intra-Africa agricultural trade.

This is a working document. Please send your comments and inputs to:

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About NAMC

The National Agricultural Marketing Council was established in terms of the MAP Act No. 47 of 1996, as amended by Act No 59 of 1997 and Act No. 52 of 2001. We provide strategic advice to the Minister of Agriculture, Forestry and Fisheries on the marketing of agricultural products.

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