

Sugar Industry Regulations gazetted

Parliament's Portfolio Committee on Trade and Industry has welcomed the gazetting of the Sugar Industry Regulations.



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“The Portfolio Committee on Trade and Industry welcomes the gazetting of the Sugar Industry Regulations on transitional arrangements in terms of the Constitution of the South African Sugar Association (Sasa) and the Sugar Industry Agreement,” said the Committee on Thursday.

The regulations were gazetted on 9 October 2018 and the committee subsequently met with the Sasa and South African Farmers Development Agency (Safda).

The meeting was held so that the committee could be briefed on transitional arrangements with respect to incorporating Safda into Sasa and to discuss sugar tariffs.

Committee Chairperson Joan Fubbs said the incorporation is a step in the right direction, particularly for black small-scale farmers.

Safda is a member-based, voluntary non-profit association of like-minded farmers who believe in the development and sustainability of emerging and small-scale farmers.

Fubbs said the committee will continue to play its oversight role over the sugar industry to ensure meaningful transformation.

Meanwhile, sugar tariffs regulations which will see an increase of import duties of sugar, providing immediate relief required by the industry and protection against the surge of imports, were also discussed.

“In terms of sugar tariffs, this follows a decision by the International Trade and Administration Commission (ITAC) to increase sugar import tariffs to a dollar-based reference price (DBRP) of US\$680 (approximately R9 970) following an application to that effect by Sasa. Both Sasa and Safda welcomed this tariff, as it will alleviate the domestic sugar market’s losses,” said the committee.

The application was made to ITAC by Sasa in February and in August Trade and Industry Minister Rob Davies endorsed ITAC’s recommendation to increase import duties for sugar.

Among the core functions of ITAC are custom tariff investigation and import and export control.

The tariffs form part of a set of measures considered by government in collaboration with the industry in order to improve the sustainability of the industry and future prospects.

The dti has previously said while the level is not at the maximum bound rate as initially requested by the industry in the application, the US\$680/ton will provide the immediate relief urgently required by the industry and sufficient trade protection against the rush of imports.

On Thursday, the committee expressed Sasa’s concern about the lower tariff. Safda, meanwhile, expressed its concern that the tariff will not do much to alleviate losses of small-scale farmers.

In addition, Safda noted that the tariff increase should be complemented by other interventions/programmes that support small-scale farmers.

“The committee held several regular follow-up engagements with the relevant stakeholders to ensure and monitor the speed of progress. The committee deems the regulations critical for the transformation of the sector,” said Fubbs.

Sugar production contributes about R14 billion to Gross Domestic Product (GDP) and the industry employs 85,000 people directly, and a further 350 000 indirectly through food processing and other sectors.

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