

# Government hard at work to avoid poultry sector job losses

Deputy President Cyril Ramaphosa says the government is doing all it can to avoid job losses in the poultry industry amid concerns of poultry products dumping and unfair trade practices. The President said this when he answered questions in the National Council of Provinces on Wednesday. "Government will do everything in its powers to ensure that there is no factory closures or job losses in the poultry industry."



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"Within the provisions of the World Trade Organisation's rules and South Africa's trade agreements, South Africa will vigorously deploy trade measures to protect our poultry industry from dumping and unfair trade practices," he said.

The Deputy President was responding to a question that was posed by Member of Parliament from KwaZulu-Natal, IFP's Mntomuhle Khawula, who had asked if there were any plans to rescue the South African poultry industry from closure. The Deputy President said, working closely with the private sector, government will deploy incentives and other support measures to protect the industry to maintain production capabilities, save jobs as well as to ensure food security. "In short, South Africa will vigorously defend this industry against dumping and unfair trade practices."

## Task teams to deal with poultry industry situation

"Government has established two task teams to urgently address the situation within the South African poultry industry - the first is a government task team and the second is a much broader task team that includes representatives from government, business, and labour."

"The partners are working in close collaboration on this matter particularly on the programme to address the complex and multiple challenges that are facing the domestic poultry industry," he said.

With the agricultural sector being one of the main job drivers in the economy, the Deputy President said it was critical that the country preserves its production capacity across the entire poultry value chain. "This is in our view important because poultry products are a critical source of protein for the majority of our people and the industry is also a very, very important employer in our economy."

He said the task teams were developing an economic analysis of the existing situation across the entire value chain from upstream with regard to stock feed production to poultry production with the value addition through the retail and the logistic sectors.

## **A range of supply and demand side initiatives and measures**

The task teams are, the Deputy President said, developing a plan of action to support the industry, encompassing a range of supply and demand side initiatives and measures. "Areas that are under consideration include a range of trade measures to support the industry within the rules of the WTO and our own trade agreements in this regard.

"Industrial financing and incentive measures to support the industry with a range of reciprocal conditions, including transformation, labour retention as well as investments.

"The other area is to look at the measures that would lower the cost of input and raise competitiveness because as we all know, the poultry industry is a global industry and it is hugely competitive and other countries are well endowed with processes such as lower input costs, or production costs, and in our case these tend to go up a little bit.

"We are also looking at measures to raise aggregate demand through localisation of public procurement and a stronger collaborative export process," he said.

The Deputy President also said that the task team was also engaging with a wider range of stakeholders to ensure that the views and interests would be addressed.

"Significant progress has been made by the task team and government will make further announcements in this regard."