

Voluntary Report – Voluntary - Public Distribution

Date: January 19, 2022

Report Number: SF2022-0001

Report Name: South Africa Imposes Provisional Anti-Dumping Duties Against Bone-in Chicken Imports from Brazil Denmark Ireland Poland and Spain

Country: South Africa - Republic of

Post: Pretoria

Report Category: Poultry and Products

Prepared By: Makoma Makgopa, Amy Caldwell

Approved By: Ali Abdi

Report Highlights:

South Africa has imposed provisional anti-dumping duties against bone-in chicken meat imports from Brazil and four European Union countries. With this announcement, South Africa is now imposing anti-dumping duties against all nine countries that have regularly exported bone-in chicken portions to this market: the United States, Brazil, Spain, Poland, Ireland, Denmark, Germany, Netherlands and the United Kingdom. South Africa's imports of poultry have declined by 63 percent in the past three years. The announcement of the latest duties threatens to lower imports even further.

Background

The South African International Trade Administration Commission (ITAC) has announced that bone-in chicken meat imports from Brazil, Denmark, Ireland, Poland, and Spain will be subjected to provisional anti-dumping duty from January 2022 until June 2022.

This decision comes as a result of an application made by the South African Poultry Association (SAPA) in January 2021. SAPA alleged imports of bone-in chicken meat imported from the five countries were being dumped on the Southern African Customs Union (SACU) market. On December 8, 2021, ITAC announced that they have found sufficient information to indicate that dumping is taking place and local industry is experiencing material injury or threat to material injury caused by the alleged dumped imports. As a result of this review, an anti-dumping duty, which provides lower rates to specific companies from each country, was imposed on all five countries.

Table 1: South Africa’s Bone-in Chicken Meat Anti-Dumping Duties Against Brazil and Four EU Countries

Country	Rate of Duty Prior to January 2022	New Anti-Dumping Duties January 2022- June 2022
Brazil	MFN Duty of 62%	265%
Denmark	Duty Free	67.4%
Ireland	Duty Free	158.4%
Poland	Duty Free	96.9%
Spain	Duty Free	85.8%

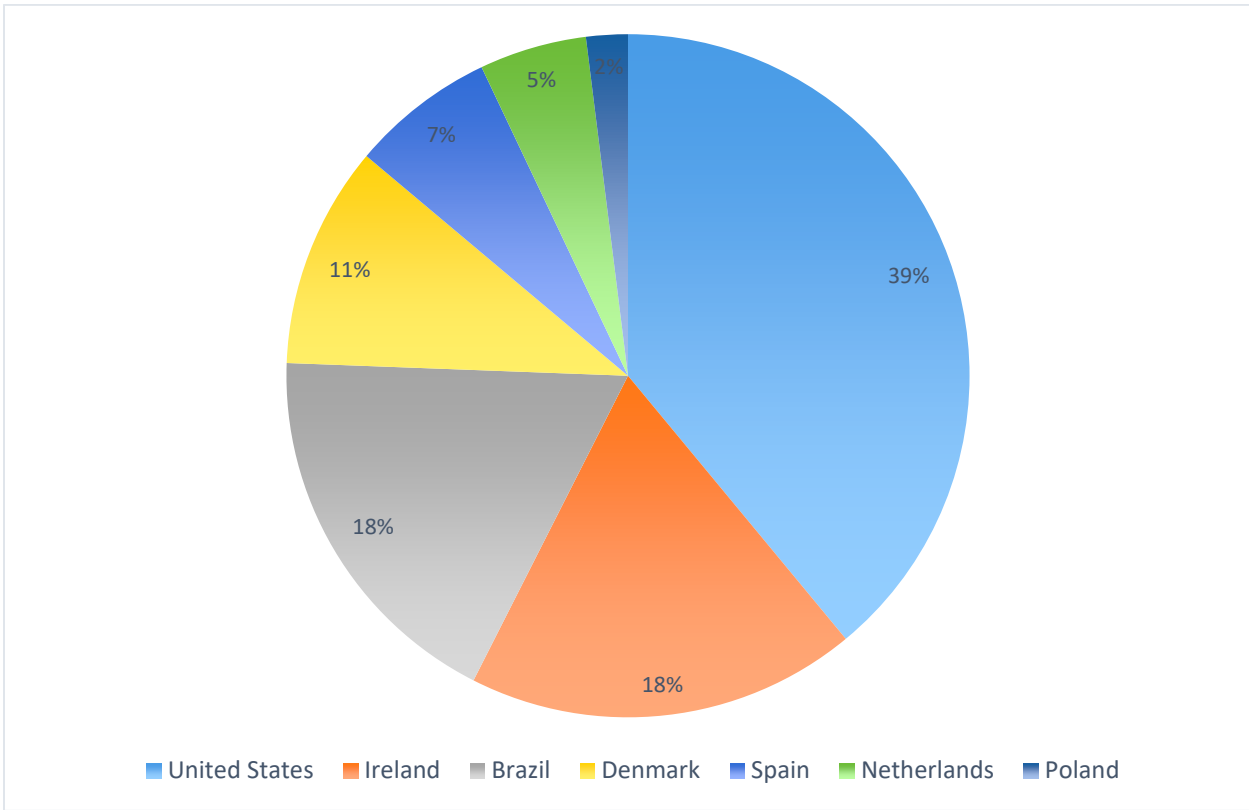
Source: ITAC

These duties are provisional and will expire in June 2022. ITAC is undertaking further investigations in the interim and will announce the final anti-dumping duties for the five countries at that time.

Implications for Poultry Imports in South Africa

This is the second announcement of anti-dumping duties on poultry issued in recent months. In August 2021, anti-dumping duties were announced for bone-in chicken imports from the Netherlands, Germany, and the United Kingdom. Prior to 2015, these three countries exported to South Africa duty-free due to their Economic Partnership Agreement with South Africa. With this latest announcement, South Africa is now applying anti-dumping duties to nine countries which collectively represent all exporters of bone-in chicken portions to South Africa.

Figure 1: 2020 Sources of South Africa’s Bone-in Chicken Imports



Source: South African Revenue Services

The United States continues to face a 62 percent duty on bone-in portions and is restrained by the Tariff Rate Quota. If the quota is filled, additional imports from the U.S. will be charged an anti-dumping duty of 9.40 Rands per kilogram.

South Africa’s imports of poultry have declined by 63 percent in the past three years. The announcement of the latest duties threatens to lower imports even further. Meanwhile, South African producers remain unable to meet demand through domestic production. According to the National Agriculture Marketing Council’s Food Price Monitor, abattoir selling prices of frozen and individually quick-frozen chicken portions increased by 22 and 13 percent respectively in the year prior to July 2021. As a result of the higher duties on imports, consumer prices may increase further forcing economically disadvantaged South African consumers to spend more of their limited disposable income or make alternative choices.

Attachments:

No Attachments.