



B E R R Y & D O N A L D S O N

NEWS UPDATE

POSSIBLE IMPORT DUTY ON SUGAR



Similar to measures introduced to fight the large scale cheap imports of chicken from Brazil, the Minister of Trade & Industry is considering imposing import tariffs on imported sugar.

Local sugar producers have complained for several years that the industry is at risk from dumped sugar from Brazil, Guatemala, India and others. Due to overproduction and subsidies, the world price is significantly below production cost. Last year the South African Sugar Association applied to ITAC for a higher dollar-based reference price on imports. This would effectively put an import tariff in place.

These sort of “anti-dumping” duties can be imposed if the cost of producing sugar locally is more expensive than that being “dumped” by foreign producers.

In the case of chicken imports and argument has raged in reference to the amount of brine injected into locally produced chicken, a compromise to the quality of the meat in pursuit of creating mass. Retailers have warned that consumers would pay significantly higher prices, especially on frozen chicken pieces.

This is the sort of dilemma facing governments of economies the world over. How to balance the interest of producers (and job creation) with that of the consumer who, especially in the case of food prices, are already under pressure.