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Kill EU hypocrisy, not the SA chicken Industry

The EU office in South Africa is trying to hide the complicity of EU chicken producers in destroying, through the illegal practice of dumping, thousands of South African chicken industry jobs in areas of high unemployment.

The latest EU outrage is a statement quietly published on its website where the EU tries to pretend that EU member countries are not dumping chicken in the South African market.

Dumping is a predatory trade practice of selling goods produced below the cost of production into foreign markets to destroy their industry, and destroy local competition, resulting in job losses and misery. We know this is true, because it is happening in South Africa, putting poor South Africans into misery. If you don't believe us, ask the people who lost their jobs, ask trade unions, ask local chicken producers, ask economists, ask anyone with a shred of integrity and knowledge. Three EU countries have already been found guilty of dumping, which is an illegal and immoral practice.

The EU claims that chicken imports from EU countries are drastically reduced and that if they were dumping, they would be accused of dumping. They are accused of dumping! The truth is that the EU is still selling chicken below the cost of production in SA, but their imports are down because of bird flu. So even if they sell less chicken, it is not because they stopped dumping, but because some EU chickens are sick.

Dumping from EU countries has temporarily been reduced, because of outbreaks of avian influenza in the main exporting countries. And when the bans are lifted – they often last for only a few months – EU dumping will resume, killing thousands more South African jobs.

To pretend, on this basis, that dumping is not taking place is breathtakingly dishonest. The question is whether the EU ambassador, Mr Marcus Cornaro, saw and approved this statement, as it was not issued in his name. The Ambassador still owes South Africans the courtesy of a reply to a January 2017 letter from the FairPlay anti-dumping movement, posing fairly simple questions. If the Ambassador were seriously trying to educate and inform about the facts, this letter would already have been answered in detail.

Indeed this anonymous EU statement does not even attempt to answer questions, but instead perpetrates a flat-out untruth. Referring to claims that EU dumping is causing jobs losses in South Africa, the EU said: "This allegation is false. As we speak, there is no dumping of EU chicken into South Africa". Nice try, but no cigar.

Note that carefully misleading wording: "as we speak". No mention of dumping in the past, or that three EU countries have been convicted of dumping, or that more countries would have been found guilty of dumping were it not for the arcane rules of the WTO, or that dumping will increase when exports are allowed again. Just a claim that it's not happening now. The EU seeks to create the totally false impression that EU dumping does not happen.

The EU statement is a clumsy lie, intended to prevent the South African government from acting against EU dumpers. Just examine the facts..

Firstly, EU dumping is happening “as we speak”. Some old stock is coming in - surplus meat is stored in freezers waiting for a bulk buyer, and if it’s old enough, it’s not affected by the bird flu ban.

Secondly, the EU has been dumping chicken in South Africa for years, which is why the local industry is in trouble and thousands of South African jobs have been lost, and why the EU was found guilty of dumping.

Thirdly, no EU country can produce chicken cheaper than South Africa – a respected survey by a European university, Wageningen University in the Netherlands, found that EU producers are on average 25% more expensive than SA producers. Perhaps the EU ambassador will tell us how EU producers manage to sell chicken profitably at R15/kg when their production costs are way above R25/kg?

The EU says there is no dumping because if there had been, the SA Poultry Association would have filed a complaint as they have done in the past. The Association can answer for itself, but the fact is that those complaints may well be made – there is more than enough evidence to support a request for far higher anti-dumping duties and other measures against more EU countries than are currently the case.

Unless the South African government acts quickly, those duties and other measures may not come in time to save the industry. Continued dumping means more cutbacks and job losses are imminent unless action is taken.

There are numerous measures, including health and safety regulations, that can be applied to bring a rapid halt to dumping. The South African government needs to act now, and not be fooled by EU flummery.

Just don't rely on the EU to do the right thing for jobs and for poor people in South Africa.

Francois Baird,

Founder, FairPlay anti-dumping movement.