



THE ANTI-DUMPING APPLICATION IN A NUTSHELL

Details of an application for anti-dumping duties against chicken imports from Brazil and four European Union Countries – Denmark, Ireland, Poland and Spain – were published in the Government Gazette on 20 February 2021.

The application, brought by the SA Poultry Association (SAPA), will be investigated by South Africa's International Trade Administration Commission (ITAC) which in turn will make a recommendation to the government.

The application is based on "dumping margins" – the difference between the price of the product in the producer's home country and the export price to South Africa.

ITAC has found that there is a prima facie case of dumping against the five countries – Brazil, Denmark, Ireland, Poland and Spain.

The FairPlay movement is a non-profit initiative to end predatory trade practices worldwide.



SIYABUYA!

Let's #MakeSAbetter

FAIRPLAY FULLY SUPPORTS THE SIYABUYA CAMPAIGN

Siyabuya means "we will come back, stronger". The new movement aims get South Africans working together to help the country come back stronger from the coronavirus pandemic. It will generate public mobilisation for actions that will help economic recovery and support for the poor, who have been particularly hard hit.

This means individuals taking care of themselves, their families and their communities by adopting public hygiene habits (mask, sanitise, physical distance), getting immunised, feeding people who need food and creating jobs by letting every business flourish.

It specifies dumping margins per country on a variety of products – frozen leg quarters, frozen wings, frozen thighs, frozen drumsticks, frozen bone-in breasts, and other frozen bone-in portions. The products and dumping margin percentages are different for each country. Most of the percentages are above 100% and the highest is 201% on frozen thighs from Denmark.

After establishing that there is a prima facie proof of dumping by the five countries, ITAC has begun an investigation into the dumping margins, and whether the local industry has suffered material injury as a result of the dumping, or whether such injury is threatened. Both dumping and material injury are required before anti-dumping duties will be imposed.

The application is now open for comment. ITAC will invite interested parties – including producers, importers and the exporting countries named in the application – to send submissions within 30 days.

The adjudication process can take between a year and 18 months to complete.

Melene Rossouw, a lawyer, activist and an energetic catalyst for change, will be the face the movement.

Public health is a focus for Siyabuya. Melene called on all South Africans to give a high priority to health and safety during religious observance and holiday travel over the next two months.

“Personal and community health is vital if we are to defeat the coronavirus and restore economic growth and job creation. Covid-19 is destroying lives and livelihoods and we must work together to defeat it. We do not want a new wave of infections and deaths,” she said.

“Medical experts around the world are urging people to be observant, but careful. It is vital that people wear masks, ensure physical distancing, sanitise and wash hands frequently. Please limit travel where possible and be aware of the risks of small and large gatherings.

Francois Baird, founder of FairPlay, called on South Africans to support the Siyabuya campaign and to work together to ensure that the country emerged from the coronavirus pandemic stronger than it had been before.



THE JOB DESTROYING IMPACTS OF IMPORTED CHICKEN

It is outrageous that in a country with one of the highest unemployment rates in the world massive profits continue to be made by meat importers that are putting thousands of South Africans out of work by selling dumped foreign chicken. Let us not forget that these imported chicken cuts are essentially waste product for producers in Europe and the Americas. There is no market for dark meat in these countries. So instead, surplus chicken is shipped in massive quantities and sold to meat importers at well below the cost of production to flood the market in Africa and other developing countries.

The importers claim that they are doing local consumers a favour by selling imported meat at slightly below the costs of domestically produced chicken. But at what cost to the national economy and to rural communities and the tens of thousands of South Africans who depend on the chicken industry for their livelihoods?

Let us also not forget that South African meat importers are dominated by foreign interests including some of the biggest European and Brazilian chicken producers.

As FairPlay has noted in the past: It is not the consumers who benefit, as dumping defenders like to claim, importing cheap does not mean selling cheap. You sell dumped chicken just below the retail price, stealing market share, putting local producers out of business but ensuring a profit. It must be a great business: some 240,000 tonnes of chicken pieces were imported into South Africa in previous years, according to official figures. Much of this was dumped – sold to importers for less than it costs to produce, in contravention of world trade rules and all of it was profitable, because selling prices are high. Importers run private businesses. They do not reveal what they pay for dumped chicken, what they sell it for, or to whom.

The fact is that the local industry is very efficient and highly competitive. However, no industry, no matter how efficient, can compete against dumped imports. In addition, every time a South African worker in the chicken industry loses a job because of dumping, the importers win. The more they gain market share, the more profit to be made. Dumping, is a job-destroying business and it is happening right under our noses.



WHO DOES AMIE REPRESENT?

In the past you could visit the website of South Africa's Association of Meat Importers and Exporters and find a list of the companies that are represented. However, a recent scan of AMIE's website shows that this information has now been scrubbed.

But looking back on now archived material from the website one can get a clear sense of just how much South Africa's meat importers are dominated by powerful foreign interests.

Following is a snapshot of some of AMIE's major contributors and supporters:

LAMEX FOODS

Lamex is a major European based food wholesaler based in the UK. It employs only 44 people but according to their latest annual reports submitted on 2019-03-31, the company had a Turnover of £191M, with a Gross Profit of £5M.

ABPA (Brazil Animal Protein Association)

ABPA represents Brazil's meat industry and is dominated by large Brazilian producers like BRF and JBS. JBS has acquired over 150 production plants around the world. The company gained notoriety in 2020 when it was accused and eventually sanctioned for bribing meat inspectors. In 2017 its annual revenue was US \$51.2 billion.

USAPEEC (USA Poultry and Egg Export Council)

USAPEEC has offices all over the world to represent U.S. poultry and egg interests. From trade policy to promotional activities, its members account for more than 95% of all U.S. poultry and egg exports. USAPEEC exists for the purpose of increasing U.S. poultry & egg exports by protecting, opening and developing markets throughout the world.

Other members and contributors include chicken producers from Asia and throughout Europe.



LET'S JUDGE CHICKEN DUMPING ON THE EVIDENCE

Writing in the *Business Day*, FairPlay founder Francois Baird lays out the case for anti-dumping duties.

If Paul Matthews wants to “debunk tariff and dumping myths” he should start with his categorical statement on chicken imports that “there has been no dumping since 2015” (“FairPlay’s focus on poultry imports oversimplifies the issues”, February 10).

Before taking this statement at face value, *Business Day* readers should expect the imminent publication of an application for new antidumping duties by the SA Poultry Association (Sapa). The association has said the application will cover Brazil and four EU countries – Denmark, Ireland, Poland and Spain.

Antidumping applications must be based on evidence, and we assume this evidence will be published when the application is announced in the *Government Gazette* on a Friday morning in the near future. We also assume the evidence the Poultry Association has gathered points to chicken dumping by these five countries far more recently than 2015.

In addition, in 2015 antidumping duties were imposed on chicken imports from Germany, the Netherlands and UK, and the Poultry Association has just applied to have them renewed for a further period. Why would they want them renewed unless dumping has continued? That makes eight countries against which there are serious allegations of current chicken dumping, presumably all of it backed by evidence.

Granted, allegations are not fact, and the applications have yet to be ruled on. Nevertheless, to state that there has been no dumping since 2015 strains credulity. Matthews seems to invite the obvious question; who should we believe, his word or our lying eyes?

Let’s judge on the evidence soon to be published. Hopefully Matthews, on behalf of Association of Meat Importers and Exporters, will be aghast at the dumping surprise about which they knew nought.



The FairPlay movement is a not-for-profit trade movement that fights for jobs. Its goal is to end predatory trade practices between countries so that big and small nations play by the same rules. It supports the principle that penalties for transgressing those rules apply equally to everybody.

FairPlay was founded in October 2016. In alliance with existing organisations and experts it formulates and promotes strategies to defend communities made vulnerable by predatory trade practices and promote sustainable livelihoods.

These alliance partners are international, currently from the USA, Canada, Ireland, UK, Ghana and South Africa.

FairPlay mission: To end the scourge of dumping as an immoral trade practice.

FairPlay vision: A world where dumping no longer exists, with free trade according to the rules.

<http://fairplaymovement.org>

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