

12 November 2023

Press release

Clarity regarding permit requirements for EU & UK EPA TQR

In the past two weeks, The Department of Agriculture, Land Reform and Rural Development published two gazettes outlining the procedure for exports from SACU and Mozambique to the EU and the UK, respectively, to take advantage of preferential Tariff Rate Quotas for certain agricultural and agro-processed products contained in an annexure to the agreement.

Some articles were published in the media this week in relation to export-quotas and BBBEE which are factually incorrect and misleading. The permitting system is administered by DALRRD who publish the procedural requirements on an annual basis. Amongst the requirements, an applicant must comply with any sanitary and phytosanitary requirements, rules of origin and a number of other factors contained in the bilateral agreements. The allocation of these quota take into account the market share of the applicants, the quota applied for, the total available quota, the number of applicants and the BBBEE status of the applicant. These requirements are not new and mirror the previous years' requirements.

A few important factors must be borne in mind to contextualize the requirements;

1. These requirements are not new and mirror the previous years' requirements. It is therefore not a new requirement;
2. There is no threshold or level that an applicant must reach to be awarded a permit – The BBBEE status of the applicant is but one factor that must be considered in conjunction with all other factors; Under the AgriBEE Sector Code, entities with a turnover of less than R10 million are Exempted Micro Enterprises and are deemed level 4. They merely need an affidavit to this effect and not a verified certificate;
3. The scope of the notices and Gazettes do not apply to all exports but merely to those products contained in Table 1 (part of the notices in the Gazettes – this excludes fresh fruit but still applies to several of our key exports) exported to the EU or UK under the preferential Tariff Rate Quota;

The impact and effectiveness of these vital trade agreements are currently being reviewed with an eye to extending and improving upon them. Given the sensitive nature of the discussions, it is vital that public comments are made from a factual and contextualized point of view. Factually incorrect or sensationalist media articles may harm the sector's prospects as these agreements are reviewed. We therefore urge all parties to refrain from such reporting devoid of the correct facts and context.

Links to the Gazettes can be access below:

[SACU – EU EPA TQR Gazette](#) (31 October 2023)

[SACUM – UK EPA TQR Gazette](#) (1 November 2023)

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