

More transparency in the chicken industry - court action suspended

The Association of Meat Importers and Exporters (AMIE) and the South African Poultry Association (SAPA) have agreed to lift the veil of secrecy on 'confidential' documents on which the protectionist application on chicken imports is based, thereby averting a protracted court battle.



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The action, launched by AMIE, argued that the public right to information on a tariff application that could impact on the affordability of a major food source must be considered.

In papers lodged before the Gauteng High Court scheduled on the Courts' motion roll for 14-15 October this year, AMIE called for transparency regarding SAPA's application for tariff protection to the International Trade Administration Commission of South Africa (ITAC). The application by SAPA requests that an increase from 37% to 82% *ad valorem* for 'bone-in' cuts of chicken and an exponential increase from 12% to 82% *ad valorem* for 'boneless cuts' of chicken be granted.

AMIE has also requested permission to approach the Constitutional Court to have the validity of two sections of the Amended Tariff Investigation Regulations of 2015 dealing with the confidentiality of information declared invalid as they are inconsistent with the Constitution.

"We are calling for transparency in the matter as SAPA had refused to allow us sight of the information we require to judge the legitimacy of their claim for tariff protection. They cited information that is 'confidential to the trade' in their refusal," says Paul Matthew, CEO of AIME.

"Our assertion was this material must be made available as massive tariff increases of this nature are of public interest."

"If granted on untested information, a good portion of the 60% of South Africans who regard chicken as a staple protein could find the meat beyond their means. For AMIE members, the increase could mean hardship for importers and major job losses within the sector."

"Backing our call for transparency in this matter is the fact that local chicken broiler producers have, since a downturn in 2016, experienced increasing profitability. During 2018, the local sector recorded record profits."

"We do not understand how an industry that is investing massive amounts in building new capacity at a time of record profits can claim that their industry is under threat from imports - which are a necessity as the country cannot produce enough chicken to meet its demands."

"We are being asked to support a potential increase that has huge implications for the country at face value. AMIE could not accept this, and we are determined to take our case for transparency within the poultry industry to the highest court in the land if needs be. The interests of our members, and indeed all South Africans, demand that information is tested before far-reaching economic decisions are made," says Matthew.

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