

## SACU-EFTA: BILATERAL AGRICULTURAL AGREEMENTS

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agriculture  
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REPUBLIC OF SOUTH AFRICA

## BACKGROUND

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- 3 bilateral agricultural agreements
  - Norway
  - Iceland
  - Switzerland/Liechtenstein
- In terms of Article 6 (2) – Scope – of the FTA, they form part of the instruments establishing the SACU-EFTA Free Trade Area

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## MOTIVATION

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- EFTA countries have no common agricultural policy and also no common import tariffs
- Unlike non-agricultural products, for agriculture individual EFTA countries follow different approaches towards trade liberalization
- EFTA is therefore unable to develop a common offer on agriculture
- EFTA proposed bilateral agricultural agreements
- SACU agreed to this approach in order to ensure GATT/WTO Article XXIV compliance

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## SCOPE

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- Bilateral agreements cover all basic agricultural products falling within HS Chapters 1 to 24, plus some tariff lines from HS Chapters 35 and 38
- Exclude Processed Agricultural Products (PAPS) – covered in Annex III of FTA
- Exclude agricultural products falling outside HS Chapters 1 to 24 – covered under the general liberalization provisions of the FTA
- Exclude fish and fish products – covered by Annex IV of FTA

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## CONTENT – COMMON TO ALL 3 AGREEMENTS

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- Rules of origin – cross-reference to rules in FTA
- Provision to also apply certain Articles from FTA in bilateral agreements, *inter alia*:
  - SPS
  - Agricultural and general safeguard clause
  - Special treatment for BLNS
- Review provision – review to start no later than 3 years after entry into force
- Declarations on SPS

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## CONTENT – SWITZERLAND

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- Subsidy clause – prevents use of export subsidies and domestic support on products traded under the terms of the agreement
- Specific clause guaranteeing continuation of current LDC-GSP for Lesotho
- Lists of tariff concessions that improve market access over existing conditions
- Joint declaration on further offensive interests to be pursued as part of the review

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## CONTENT – ICELAND

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- Subsidy clause
  - Prevents use of export subsidies only
  - SACU granted no benefits on products requested that benefit from domestic support
- SACU granted very limited preferences (2 tariff lines)
- Iceland granted preferences on a relatively large number of tariff lines, all free of duty, with a few exceptions
- Joint declaration on further offensive interests to be pursued as part of the review
- Iceland not a priority market for SACU agricultural products

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## CONTENT – NORWAY

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- No subsidy clause – no SACU tariff concessions
- Norway based its tariff concessions on current GSP, with some marginal improvements
- Norway declared to continue granting GSP benefits to all SACU countries in parallel to the agreement
- Declared that it will continue to recognize LDC status (GSP) to Botswana, Namibia and Lesotho, under certain conditions
- Joint declaration on further offensive interests to be pursued as part of the review

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## CONCLUSION

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- Switzerland agreement offers meaningful market access improvements
- Norway agreement offers only marginal market access improvements to SACU, but SACU did not have to commit itself to reciprocate
- Iceland offers slightly improved market access, but is not an important SACU market
- GSP status is recognized
- Review clause offers scope for further improvements
- Subsidies addressed

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