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ITAC Announces Definitive Tariffs on Frozen French Fry Imports

Anti-dumping duties to help safeguard South Africa's farmers and processors

17 May 2023, Pretoria, South Africa - The South African potato industry welcomes the International Trade Administration Commission's (ITAC) decision to reinstate import duties on frozen potato chips/French fries, after tariffs lapsed earlier this year. The decision, effective today, comes after the conclusion of an anti-dumping investigation initiated by the body in November 2021, examining the potential material impact of frozen potato chip imports on South Africa's agriculture and agri-processing activities.

"While trade and regional and global markets and economies are, of course, a priority, so is the protection of South Africa's agricultural and manufacturing industries," says Willie Jacobs, CEO of industry association, Potatoes SA. "The reality is that cheap or low-quality frozen potato chips entering the market could be detrimental to South African producers and the sector as a whole, and could cause a surge in illicit trading activities. These regulations will go a long way in preventing this, allowing farmers who are currently expected to grow 2,5 mil tons of potatoes this year, to thrive."

Overall frozen fry import rates now stand at 67.33%, 239.10%, 181.05% for Belgium, the Netherlands and Germany respectively, similar to those outlined by ITAC in their Essential Facts finding in October 2022. SA is one of the few countries in the world with a local supply of fresh potatoes all year round, with an estimated 400 000 tons being processed between 2017 and 2021.

According to Jacobs, the implementation of anti-dumping tariffs can help level the industry playing field, ensuring fair competition. "By supporting local producers, we can promote job creation, foster economic growth and maintain quality standards for the benefit of all stakeholders involved. This will also offer much-needed stability to consumers who are already facing significant pressures."

ITAC's research report, "Investigation into the alleged dumping of frozen potato chips from Belgium, Germany and The Netherlands: Final Determination" was released today, and can be downloaded <u>here.</u>

Detailed tariffs are outlined in the Government Gazette, Vol 695, No 48605.

See Summary Table below:

| Frozen Fries Anti-Dumping Duty Rate Summary | | | |
|---|----------------------|----------------------------------|---|
| | Anti-dumping II | <u>Anti-dumping</u> <u>II</u> | <u>Anti-dumping</u> <u>II</u> Provisional |
| | Final Definitive | Essential Facts | Duty |
| | Duties imposed | <u>estimate</u> | <u>imposed</u> |
| | <u>(17 May 2023)</u> | <u>(24 October 2022)</u> | <u>(15 July 2022)</u> |
| Belgium overall rate | 67.33% | 68.42% | 23.06% |
| Belgium specific rates: | | | |
| Mydibel | 16.89% | 18.40% | 20.55% |
| Lutosa | 9.73% | 16.79% | 23.06% |
| Clarebout | 0.00% | 0.00% | 23.06% |
| Bart | 67.33% | 68.42% | 23.06% |
| Ecofrost | 67.33% | 68.42% | 23.06% |
| Agristo | 9.82% | 10.81% | 23.06% |
| Netherlands overall rate | 239.10% | 277.64% | 104.52% |
| Netherlands specific rates: | | | |
| Aviko | 8.80% | 6.71% | 9.23% |
| Farm frites | 19.60% | 25.68% | 23.66% |
| Agristo | 239.10% | 277.64% | 104.52% |
| Lamb Weston | 239.10% | 277.64% | 104.52% |
| Germany overall rate | 181.05% | 190.25% | 181.05% |
| Germany specific rates: | | | |
| Agrarfrost | 190.25% | 190.25% | 181.05% |