

Poultry Industry Policy in SACU – Namibia Case Study

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Introduction

- Before 2013, Namibia imported all poultry products (95% from RSA).
- New Investment started from 2012
- SACU Agreement (Article 26) provides for IIP.
- Namibia Poultry Industry (NPI) applied for IIP.
- Ongoing court cases on other IIP industries (cement and dairy)
- In 2013, Trade Minister granted an interim Quantitative Restriction (QR) using Import and Export Act of 1994
- However there are some notable production inefficiencies (cost of soya & competitiveness) – as noted below.
- SAPA – Court case recently dismissed
- Despite these challenges the Namibian Government is committed to grow the sector.

Key Challenges

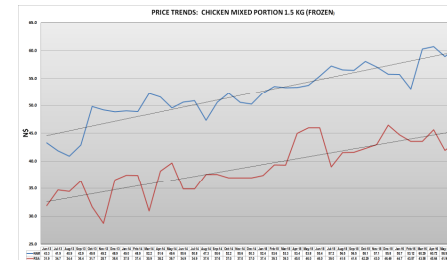
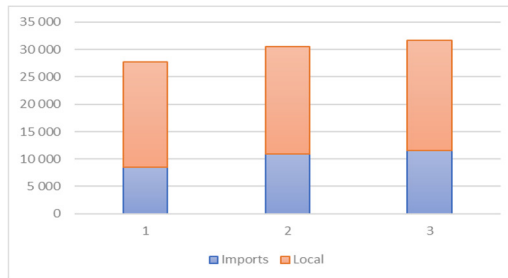
- Increasing costs of production - inputs such as soya.
- RSA poultry industry is under threat from EU and USA imports and also competitiveness challenges

Results

- At the moment of application by NPI, there were two ongoing court cases against Dairy and Cement IIP.
- Namibia used domestic legislation (Import/Export Act of 1994) as interim support measure in 2013.
- Monthly QR of 600 tons was granted, administered by Meat-board of Namibia
- Initial expectations – Namibian Poultry Industry (NPI) could produce for the rest of domestic demand.
- Domestic consumption had changed overtime:
 - Thus changes in QR from 600t in 2013, 900t to 1500t in 2015
- Currently NPI produces approximately 64% of domestic demand
 - A shortfall of around 9000t per month.

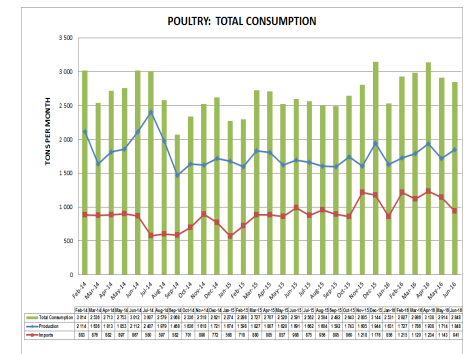
Some Issues

- Government noticed the uncompetitive supply chain of the domestic poultry industry.
 - Very high domestic prices - higher than in RSA
- In 2014 South African poultry producers led by SAPA felt aggrieved & challenged Namibia's QR measure based on two main arguments:
 - a) Minister cannot authorize Meat-board to administer these quota,
 - b) QR restriction does not conform to WTO and the SACU agreements
- At the moment, SAPA court case has been dismissed on technical grounds (late submission).



Conclusions

- Government is committed to develop NPI however the efficiency needs to be addressed.
- Also government interventions - Sector Growth strategy to support NPI development.
- Private sector envisaged +- N\$600 million more investment.
- SAPA busy with the appeal.



Literature cited

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Further information

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