
GOVERNMENT NOTICES

DEPARTMENT OF AGRICULTURE

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TRADE DEVELOPMENT AND CO-OPERATION (TDCA) BETWEEN THE EUROPEAN COMMUNITY (EC) AND THE REPUBLIC OF SOUTH AFRICA

MANAGEMENT OF TARIFF QUOTA FOR IMPORTS INTO SOUTH AFRICA OF PRODUCTS FALLING UNDER HS CODE 0406 (CHEESE)

The Trade Development and Co-operation Agreement (TDCA) between the Republic of South Africa of the one part and the European Community (EC) and its Member States of the other part provide for the establishment of a bilateral free trade area between the EC and South Africa in accordance with the World Trade Organisation rules.

As part of the agreement, reciprocal tariff quotas for the importation of cheese falling under HS Code 0406 have been established. The EC granted South Africa a quota of 5000 tons to enter the EC markets at duty-free levels, with an annual, non-cumulative growth factor of 5 percent. In return, South Africa granted the EC a quota of 5000 tons to enter South African markets at a duty equal to 50 percent of the applicable Most-Favoured-Nation (MFN) rate, with an annual, non cumulative growth factor of 3 percent.

I refer to notice number 2904 of 1999, titled *Management of tariff quota for imports into South Africa of products falling under HS code 0406 (Cheese)* published in Government gazette. The notice states that South Africa will grant the preferences established under tariff quota for cheese (HS code 0406) to an importer on a first-come-first-served basis subject to a declaration on the EUR 1 form (certificate of origin) accompanying a consignment that the goods in question have not benefited from export refunds extended by the European Commission or any EC Member States Scheme.

The products in question (falling under HS code 0406) are listed in Annex IV, List 4, of the TDCA under the column entitled "HS code".

Following extended discussions between negotiators of both sides, South Africa and the EC agreed on the basis upon which to utilize cheese preferences granted to the European Community. Reference is made to Article 3 of the Joint SA-EU Cooperation Council Decision:

1. In Annex VI, list 4 of the TDCA, the list regarding "Cheese and curd" shall be replaced by the following:

HS code 2008	Notes/tariff quota/reductions
0406 10 10 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 10 20 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 20 10 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 20 90 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 30 00 (*)	Global cheese and curd 5 000 t; 0 %; agf 3 %
0406 40 10 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 40 90 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 90 10 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 90 25 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 90 35 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 90 99 (*)	Global cheese and curd 5 000 t; 50 %; agf 3 %
0406 90 12 (*)	Global cheese and curd 5 000 t; 0 %; agf 3 %
0406 90 22 (*)	Global cheese and curd 5 000 t; 0 %; agf 3 %

(*) The annual growth factor (agf) shall be applied annually as from 2000 to the relevant basic quantities."

2. The Community shall not apply export refunds for exports to South Africa for Gouda, Cheddar and Processed cheeses, the three categories of cheese products falling within CN codes 0406 90 21, 0406 90 78 and 0406 30.
3. Without prejudice to monetary rate adjustments, for cheese products other than those referred to in paragraph 2, the Community shall not increase levels of export refunds for export to South Africa above the levels fixed by Commission Regulation (EC) No 1305/2004 of 15 July 2004 fixing the export refunds on milk and milk products¹.
4. Further reductions in customs duties and export refunds on cheese products shall be subject to negotiations in accordance with the Article 17 of the TDCA. To the accelerated reductions referred to in Article 17 TDCA, a ratio of 1 to 1.3 shall be applicable, i.e. reduction of South African customs duty by EUR 1 shall imply a reduction of the EC export refunds by EUR 1,3.
5. South Africa shall repeal the measures against the EC cheese exports and open the global cheese and curd quota, provided for under paragraph 1, no later than two months from the date of the signature of this decision.
6. South Africa shall publish in the Government Gazette an information notice, no later than two months from the date of the signature of this decision repealing the measures against the EC cheese exports to South Africa and the opening of the global cheese and curd quota with the relevant modifications as described under paragraph 1.

Notice is herewith given that notice number 2904 of 1999 published in the Government Gazette of 30 December 1999, titled *Management of tariff quota for imports into South Africa of products falling under HS code 0406 (cheese)* is repealed and that the arrangement as described above under 1) to 2) will come into immediate effect. In terms of this notice the preference in respect of cheese established by the TDCA is limited to cheese that is not subject to export refunds by the EC.


DIRECTOR-GENERAL: AGRICULTURE

¹ OJ L 244, 16.7.2004, p. 27.