
STANDING OF TEMPORARY REBATE PROVISIONS FOR THE IMPORTATION OF POULTRY PRODUCTS CLASSIFIABLE UNDER TARIFF SUBHEADING 0207.1 – Rebate items 460.03/0207.12/01.06, 460.03/0207.14.1/01.07, 460.03/0207.14.2/01.07 and 460.03/0207.14.9/02.07 (“HPAI rebates”)

Dear Stakeholders,

The purpose of this communiqué is to provide an update on the current evaluation process regarding the status of the temporary poultry rebates following the Highly Pathogenic Avian Influenza (“HPAI”) outbreak in 2023.

The Origin of the Poultry Rebate

The Minister of Trade, Industry and Competition directed the International Trade Administration Commission of South Africa (“ITAC”) in terms of section 16(1)(d)(ii) of the International Trade Administration Act, Act 71 of 2002 (“ITA Act”), to consider the creation of a temporary rebate provision on meat and edible offal, fresh, chilled or frozen of fowls of the species *Gallus Domesticus* classifiable under HS0207.1.

The directive followed the Department of Agriculture, Land Reform and Rural Development (“DALRRD”) confirming the outbreak of HPAI, which forced the culling of millions of fowls at great lost to key players across the poultry value chain. During its investigation, the Commission considered the information at its disposal, including comments received from interested parties, to arrive at its recommendation, as outlined in Report 726, which can be accessed [here](#)

Current Evaluation Status

Submission of applications for permits under the rebate provisions concerned commenced on 30 January 2024, following a publication on 26 January 2024 in Government Gazette No. 50042, Notice 2291 of 2024. ITAC issued Quarter 1 rebate permits valid from 26 January to 27 April 2024 for 43 000 tons. In order to determine whether ITAC should continue to issue rebate permits for a second quarter, ITAC is currently evaluating, *inter alia*, the domestic poultry industry’s recovery from HPAI as well as the status of current HPAI outbreaks. This involves ongoing collaboration with DALRRD and other relevant stakeholders to ensure that the Commission considers most recent industry information as well as the status of the HPAI virus to ensure that it makes an informed decision in this regard.

Criteria for Rebate Permits Issuance and Report 726’s Recommendation

As stated in the Guidelines concerned, the issuing of permits under the rebate provisions may be discontinued if domestic production has satisfactorily recovered from the HPAI outbreak and the HPAI outbreak has been contained. One of the key recommendations from our recent report is for DALRRD to provide monthly updates on the performance of domestic poultry production and the epidemiological path of the avian flu outbreak. The issuance of permits under the rebate provisions may be discontinued based on assessments by DALRRD and the National Agricultural Marketing Council (“NAMC”) regarding domestic producers’ recovery from the HPAI outbreak as well as the status of HPAI outbreaks. Furthermore, the rebate may

also be suspended in an instance where the Minister of DALRRD advises ITAC that the outbreak is under control and '*domestic production has returned to levels which safeguard food security in the Southern African Customs Union ("SACU")*'.

Next Steps

ITAC is closely monitoring the current situation to determine whether it should continue issuing rebate permits for a second quarter. A decision in this regard will be made once all considerations and consultations with relevant stakeholders are finalised. ITAC will provide further information on the way forward within the next few weeks.

Yours sincerely



Mr Ayabonga Cawe
Chief Commissioner
Date: 10 June 2024