WORKING PARTY ON THE ASSOCIATION OF OVERSEAS TERRITORIES WITH THE EUROPEAN ECONOMIC COMMUNITY

COMMODITY NOTE: PINEAPPLES

Submitted by the Delegation of the Union of South Africa

Production

There has been a rapid expansion of pineapple production in South Africa in recent years. 80,000 tons were produced in 1955 in an estimated producing area of 45,000 acres as against 227,000 tons in the Commonwealth and an estimated world production of 1,480,000 tons.

Originally confined to the warmer parts of the eastern coastal belt, pineapples are now also being grown extensively in other parts of South Africa, resulting in a notable development of the industry.

Markets

Fresh - The main market which has been developed in the Six for fresh pineapples since 1955 is in the Federal Republic of Germany, to which over 110 tons were exported from South Africa in 1956, following negligible shipments the previous year.

Canned - Exports of canned pineapples from South Africa in 1956 amounted to roughly 16,600 tons, most of which was consigned to the United Kingdom, the Six accounting for less than 1 per cent of total shipments. As in the case of fresh pineapples, however, after negligible exports to the Common Market countries in 1955, shipments, although not yet large, began to be made to Germany and France in 1956.

Nevertheless, as already mentioned, local production is increasing rapidly, and as the United Kingdom market has reached saturation point, outlets will have to be sought elsewhere, mainly in Western Europe.
South Africa's case for accommodation by the Six consequently primarily concerns the future rather than the present, although it wishes to associate itself with other important producing countries in having the trade in this commodity examined by the Working Party.

**Common Tariff**

Both fresh and canned pineapples are classified under Annex II of the Rome Treaty in respect of which a common agricultural policy still has to be formulated. There is reason to believe that in accordance with the proposed agricultural regime the production of pineapples in the Associated Overseas Territories will be encouraged and that such production will enjoy preferential treatment in the Common Market of the Six as against supplies from third countries. (According to GATT secretariat paper Spec/40/58 of 19 February 1958 exports of pineapples in 1955 from the French Associated Overseas Territories were valued at $200,000.) This will naturally exercise an adverse effect on market possibilities and prices for third countries.

The market for pineapples is not unlimited, and with increased plantings in most producing areas, the spectre is one of general over-supply and a serious depression of prices. The situation would become infinitely worse if an important consuming area, such as the market of the Six undoubtedly is, were to be reserved for preferential entry to new producers in the Associated Overseas Territories. In this connexion it is observed that the common tariff on canned pineapples is expected to be 24 per cent ad valorem. Such a relatively high duty, in conjunction with the use which might be made of quantitative restrictions and the agricultural provisions of the Treaty to give substantial additional non-tariff preferences to the Associated Overseas Territories, will bestow important advantages on suppliers in those territories, whilst at the same time seriously impairing the competitive ability of outside producers.