

New world wine producing countries create new alliance - *Multilateral Trade Relations* - Günter Müller

The five competing New World wine-producing countries (Argentina, USA, Chile, New Zealand and South Africa) will be collaborating to present a combined show at next year March's annual Pro Wein show in Düsseldorf, Germany. The purpose is to expand the joint export share of the alliance. South Africa's participation is coordinated by Wines of South Africa. (Su Birch; su@wosa.co.za)

Switzerland to reduce producer support to Agriculture: *Europe and Middle East desk*- Gugu Mqambalala

Legislation is being implemented to hold producer support payments constant in nominal terms until 2011, and to remove export subsidies and control on the price of land. The EU was receptive to a proposal from Switzerland to "rebalance" reductions of export subsidies that would moderate reductions on some products in exchange for steeper reductions on other products, with the possibility of raised ceilings. The Swiss proposal did not specify further details.

Iceland Althing voted for European Union (EU) accession: *Europe and Middle East desk*- Gugu Mqambalala

The relationship between Iceland and the European Union is currently defined through Iceland's membership of the European Economic Area (EEA). Iceland is a member of the European Free Trade Association (EFTA), along with Norway, Switzerland and Liechtenstein. After five days of debate, the Althing voted to apply for membership to the European Union. Iceland on 17 July 2009 submitted an application for accession to the Swedish EU presidency, a day after parliament voted for the move.

Protectionism in trade remains with signs of relaxing policies: - *Ezra Steenkamp/ Tshepo Ranoto*

Several countries still retain protectionist policies on grain due to fears of high prices and food shortages: Bangladesh banned exports of all rice for six months from 19 May 2009 to safeguard domestic supplies. Egypt extended its ban on rice exports until October 2009. Kenya banned maize flour exports in December 2008 to stabilize local prices and grain maize were already banned. Pakistan delayed the decision to permit wheat exports. The Tanzanian government suspended the issuing of export permits in January 2009 due to food shortages. Thailand put some sales of rice on hold due to concerns on sale prices. Indonesia re-imposed a 5% import duty on wheat

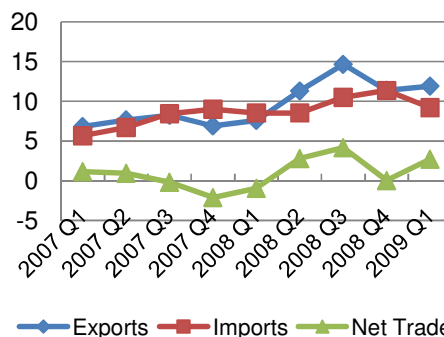
flour in January 2009. Vietnam put hold on exports because of high volume exports in the first half of 2009. Positive signs are that some countries relaxed their protectionism on grain trade: Argentina reduced export taxes on maize and wheat by 5%, to 20% and 23% respectively in December 2008. An emergency reserve of 20% will be retained. Australia will deregulate the State's exports of barley, lupins and canola from 11 March 2009. China removed its value-added tax on soyabeans on 1 December 2008. Ecuador lifted its ban on rice exports on 19 March 2009. India removed the export tax on basmati rice in January 2009 and the ban on wheat exports has been lifted on 5 March 2009. Indonesia allowed exports of rice in 2009 as reserves exceed local requirements.

South African agricultural exports maintain a positive trading balance in the first quarter 2009 - *Trade Research desk* - Sam Legare:

Quarterly analyses show that agricultural trade remains in a positive trade balance, mainly due to the strong exports of primary agricultural goods.

Contact: INFO.DITR@daff.gov.za for the full article.

SA agricultural trade
Billion Rands



Participate in the South African national pavilion at Annapoorna World of Food 2009

The Department of Trade and Industry (the dti), extended an invitation to exporters of companies in the Agro-processing sector to apply for participation in the Annapoorna - World of Food 2009 Exhibition. It is scheduled to take place from 25-27 November 2009 in Mumbai, India. www.thedti.gov.za, aburger@thedti.gov.za

Notice on the availability of Trade Agreements

Electronic copies of SA's preferential trade agreements can be obtained from the Agricultural Marketing Information Systems (AMIS), <http://www.agis.agric.za/mis/>, follow MIS- e library- International agreements.

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