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# EDITORIAL: No to tariff hike, yes to competitiveness

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Minister of Trade, Industry and Competition Ebrahim Patel at the 5th SA Investment Conference at the Sandton Convention Centre in Johannesburg. Picture: FREDDY MAVUNDA

Kudos to trade, industry & competition minister Ebrahim Patel for rejecting an application by frozen foods producer Nature's Garden for a nearly threefold increase in customs duties on frozen mixed vegetables imported mainly from China.

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Nature's Garden argued that local producers were struggling to compete against the low-quality, but competitively priced, mixed vegetables coming into SA. However, Patel rightly considered the context of high food prices that affect millions of South Africans already grappling with job losses in a weak economy.

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His decision is commendable because it recognises that imposing higher tariffs on imported products is not a sustainable solution to SA's lack of competitiveness and productivity.

Instead of seeking protection from foreign competition, local producers should focus on improving their quality, efficiency and innovation. They should also invest in capacity and skills development to create more jobs and value for the economy.

Patel should go further. According to economist Neva Makgetla's research, the government and International Trade Administration Commission have raised tariffs on basic foodstuffs sharply since 2013. By 2020, the average tariffs on these foodstuffs were more than 1% higher than the average tariff on all goods. Poultry and wheat have been particular targets, and by 2020 tariffs ranged from 50% for poultry and sugar and to 10% for cooking oil.

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