

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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NEW MEASURES OF IMPORT RESTRICTION

UNION OF SOUTH AFRICA

Note by the Executive Secretary

The Government of the Union of South Africa has indicated that it will advise in the near future the details of recent measures of import control. When these are received they will be distributed to the contracting parties and will be examined in accordance with the recommendation of the Intersessional Agenda Committee as set out in GATT/IC/3. Meanwhile the following announcement by the Minister of Economic Affairs is circulated for information :-

Press Statement by the Minister of Economic Affairs of the Union of South Africa (12 March 1952)

1. In a statement issued today, the Minister of Economic Affairs (Mr. Eric Louw) announced that certain adjustments were being effected in regard to import control as affecting consumer goods. Such action was necessary, he said, not only to ensure that South Africa's sound exchange position should be maintained, but it also followed upon the conclusions arrived at by the Commonwealth Finance Ministers last January.
2. "In 1951", said Mr. Louw, "permits for the importation of consumer goods were increased from 40 per cent to 60 per cent of the value of the 1948 imports. This did not include textile piece goods, which were freed from control the previous year. Some months ago, permits were issued for the importation of consumer goods during 1952, up to 30 per cent of the 1948 imports. A quarter of the value of such permits are valid for imports from hard currency countries. I now propose to issue a further 10 per cent on the value of 1948 imports."
3. "The additional 20 per cent which was granted in 1951, was intended for the purpose of building up stocks, and importers took full advantage of the increased allocation. Generally speaking, the shops are fairly well-stocked with a large variety of goods. In fact, it would appear that the increased allocation granted in 1951 was used by many importers for the importation of ornamental, luxury and semi-luxury goods."
4. Mr. Louw said that he fully appreciated that there should be sufficient supplies not only of necessaries in the strict sense of that term, but also of goods which provide the public with reasonable amenities, comforts, and pleasure.
5. With this in mind, he had asked the Director of Imports to seek the co-operation of Organized Commerce with a view to securing advance and reliable information as to possible shortages which may develop during the rest of the year. Special permits in addition to the 40 per cent already granted, would be issued for such goods, as and

when required, but Mr. Low emphasized that such permits would not be granted for the importation of luxury or of really unnecessary goods.

6. "The adjustments now being effected", said Mr. Low, "are far less severe than action already taken in some of the other Sterling Area countries. As I have stated on more than one occasion, South Africa is, as a result of action taken in 1949 and 1950, in a sound position compared with most European and also Commonwealth countries, not only as regards our own exchange position, but also as a member of the Sterling Area."

7. "I am confident that with sound administration of import control, and with the willing co-operation of Organised Commerce, the public will not go short of the type of goods already mentioned."

8. "Meanwhile, as during the days of strict administration of import control, those secondary industries which supply the needs of the country and of the public, will continue to be well-provided with raw materials. Existing industries which manufacture less essential goods, will have to be satisfied with less. And no encouragement will at this time be given to the establishment of new industries which need machinery or raw materials for the manufacture of unessential goods."