

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED  
LIMITED C  
GATT/CP.5/20  
7 November 1950  
ORIGINAL : ENGLISH

CONTRACTING PARTIES  
Fifth Session

SOUTH AFRICAN IMPORT RESTRICTIONS

Statement by the International Monetary Fund with reference to Item 9  
of the Provisional Agenda for the Fifth Session (since deleted)

The following communication, dated 4 November, has been received  
from the International Monetary Fund:

"As a result of the proposed changes in the South African system, the Fund believes that submission of a report on the aspects of a system which will soon no longer be in effect would probably be of little interest and practical value to the Contracting Parties.

"The changes in its restrictive system announced by South Africa appear to represent a welcome and substantial relaxation of discrimination. While the new system is not to go into effect until 1951, and the details of it are not available, the proposed relaxations are intended to operate so that:

- (a) South African imports would be thrown open to world-wide competition up to its total current external income of hard and soft currencies;
- (b) discrimination would take place only to the extent that capital inflow from soft currency countries exceeded the capital inflow from hard currency countries.

"However, judgment cannot be made respecting the need for the discrimination which will continue in effect, until the new system can be evaluated in the light of its functioning under the conditions prevailing after it comes into operation.

"As indicated at the Fourth Session of the Contracting Parties, the Fund is in active consultation with South Africa with regard to its exchange restrictions."