

GENERAL AGREEMENT ON TARIFFS AND TRADE

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AUSTRALIAN IMPORT RESTRICTIONS

Announcement of 1 October 1954

The following statement by the Australian Acting Minister for Trade and Customs, announcing changes in the administration of the import control system, has been received from the Australian Government.

"The government has made a review of import licensing policy in the light of prospects for the Australian balance of payments in 1954/55.

"Although wool prices at the early auctions have not been far below the average prices obtained during the 1953/54 selling season, wheat prices at present ruling overseas are considerably lower than the average prices realised in 1953/54. Prospects this year for certain other exports in the foodstuffs class are also somewhat less promising on the whole. Therefore it seems probable that our export earnings in 1954/55 will be appreciably less than in last year.

"Imports on the other hand are now running at a comparatively high level thanks to the buoyancy of trade and the general level of prosperity on current prospects. Total imports from all sources in 1954/55 seem likely to exceed £750 million. Last year the total value of imports was £682 million. This in turn was £171 million greater than imports in 1952/53 which were valued at £511 million.

"Under these circumstances the government does not feel able for the time being to make further relaxations in respect of the B category of imports from non-dollar sources. Imports in this class are at present being licensed on the basis of 60 per cent of imports in the base year 1950/51. When the restrictions were originally imposed the quota was only 20 per cent of base year imports.

"It is also proposed that during the licensing year 1954/55 which commenced on 1 April last and will run to 31 March 1955 licences of those goods which were placed on an NQR basis from 1 April last will be issued on the basis of 100 per cent of imports in the base year 1950/51. Where before 1 April importers had been granted assessed or adjusted quotas for goods which were then in the A category these special quotas will stand. Certain materials such as raw cotton, crude rubber, crude asbestos, nitrate of soda and rock phosphate will continue to be licensed on an NQR basis.

"The system of NQR licensing was first introduced on a small scale in April last year. It was very considerably widened as from 1 April this year when it was made to include practically all goods previously in the A category and a substantial part of those previously subject to licensing on an administrative basis. Since goods formerly in the A category were licensed before 1 April on the basis of 90 per cent of base year imports importers will be able to obtain in the current licensing year licences to a value rather more than ten per cent greater than their previous quotas. It is calculated that on the new basis imports in 1954/55 of goods now subject to NQR licensing will be approximately £300 million as compared with £250 million in 1953/54.

"The change in the NQR licensing arrangements has been influenced by the fact that during recent months some importers have been obtaining licences to a value which seems to be far beyond their normal and reasonable needs. These importers are thus obtaining an advantage over those who sought licences to a value no greater than their current requirements. The practice is also building up a large potential commitment against our international reserves and as the licences may not be actually used it is difficult to estimate how much of that commitment will crystallize.

"The government wishes to ensure that the real needs of Australian industry for imported materials and equipment coming within the present NQR group shall be met to the full extent that our balance-of-payments situation will allow. At the same time it desires to hold the scales evenly as between importers and ensure that individual importers are not allowed to take out licences to excessive amounts. It has accordingly sought a basis for the licensing of goods within the NQR group which would represent a more generous provision for the requirements of industry than the quotas which ruled before 1 April this year whilst ensuring that all importers of goods within this class will be on the same footing in point of entitlement to licences.

"Under present conditions our trade position is finely balanced and it is not easy to make a judgment upon the future trend of international payments. The government has therefore decided to make the changes which have been described believing that it is prudent to do so now rather than run the risk of the need to take more drastic action at a later stage."