

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/263

28 October 1954

Limited Distribution

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## SOUTH AFRICAN IMPORT CONTROL

### Preliminary Import Quotas for 1955

The following press statement, issued on 6 October 1954, has been forwarded by the Government of the Union of South Africa for the information of contracting parties:

"At the Congress of the Afrikaanse Handelsinstituut last night (5 October 1954) Mr. Eric Louw, Minister of Economic Affairs, made the following announcement regarding the preliminary import quotas for 1955.

'As I have repeatedly stated, we are proceeding with a gradual relaxation of import control, and that I hope to be able to remove control entirely in the not too distant future. The rate of relaxation will largely be determined by the trend of events overseas and in the Union and by the rate of improvement in our balance of payments. I do not want to take the risk of having to return to 'tighter' control measures, as happened in Australia last week.'

'In so far as the requirements of the manufacturing industries are concerned, it will be my policy during 1955 to meet the full requirements of genuine raw materials required for industrial processing. It will not however be possible to meet the total requirements of the assembly industries, although some relief will also be granted to them.'

'As a first step in this direction, preliminary or automatic quotas for raw materials, consumable stores, and maintenance spares will be issued at an early date which will be equal to 90 percent of the value of the total 1954 permits issued to individual importers, both wholesalers and manufacturers. This will be the first and final automatic quota for 1955, but applications for additional quotas from manufacturers will be liberally treated so that no genuine manufacturer need fear that he will not be able to maintain production up to the level of the demand for his products.'

'The position of wholesalers in raw materials will be further considered early next year, but in the meantime they should devote their quotas as far as possible to those classes of raw materials which they import for stock, so as to ensure that the requirements of the smaller manufacturers are fully and satisfactorily met. Many of the larger industrial concerns obtain a proportion, or the whole of their raw material requirements, either direct or indirect indent. It is the intention to make quotas available to such manufacturers to cover their

full genuine requirements of those raw materials for which they would normally indent directly or through agents or wholesalers, and this will ensure that the wholesalers' own quotas will generally be adequate to cover their stock requirements. Where I am satisfied that this is not the case, further consideration will be given to the requirements of individual wholesalers.

'The importation of industrial machinery will be on an even more liberal basis than during the present year, so that any manufacturer who requires plant for modernization, replacement and labour-saving, should take the necessary steps to place himself in the strongest position to meet foreign competition.

'Steps have already been taken towards relieving the shortage of motor trucks and commercial vehicles, as well as of spare parts for motor vehicles. This policy will be continued and it is hoped that by March of next year there will be a buyers' market in these types of vehicles.

'It will take longer to overcome the present shortage in passenger motor cars, as opposed to trucks and commercial vehicles, but increased quotas will be made available to the assembly plants during 1955, and this should materially ease the position by the middle of next year.

'Although there does not appear to be an appreciable overall shortage of agricultural machinery and implements, it has been decided to increase quotas during 1955, in order that farmers may enjoy a greater selection. As a first step, preliminary or 'voorskot' quotas for 1955 will be issued equal to 60 per cent of the total permits issued for 1954. Further issues will be made during the course of next year.

'As regards consumer goods, it will continue to be my policy to ensure adequate supplies of really necessary goods which are not locally manufactured in substantial quantities, while at the same time ensuring competition for our own industries. With this in view, the present 'Priorities List', with the addition of some items, will be continued in 1955. I am sure that commerce will be glad to learn that I have decided to increase the preliminary or 'voorskot' quotas to 33 1/3 per cent of the 1948 imports, compared with 25 per cent granted last year. This represents an increase of one-third compared with the 'voorskot' for the present year. Further issues will be determined next year.

'So far as the 'restricted list' is concerned, I have decided to remove certain items entirely and, what is more important, to permit conversions next year of the still remaining items at a rate of £1 for £3 surrendered, compared with the present rate of £1 for £5. This concession will not, however, apply to juke boxes, pin tables, coin operated mechanisms, pulp magazines and certain types of comics, the import of which will continue to be totally prohibited. The particulars of the new 'priorities' and 'restricted' lists will be published in the Government Gazette as soon as possible.

'As from next year, import permits will no longer be required for textile piecegoods of the type at present imported under the so-called 'textile free list' and, in addition, no permits will be required for the importation of tea, coffee, raw cotton, raw wool and certain types of stationery.

'It will be seen that I have kept my undertaking that import control restrictions will be progressively eased. Unless there are unexpected developments this policy will be continued.'"