

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SOUTH AFRICAN IMPORT RESTRICTIONS

Statement made by the Representative of South Africa
at the Council Meeting on 29 September 1961¹

1. My Government consulted under paragraph 4(b) of Article XII in April this year and the report of the Committee on Balance-of-Payments Restrictions on the consultation is contained in document L/1463. Just prior to the consultation some measures were introduced which are discussed in paragraphs 15 and 16 and I desire to quote from paragraph 16 the following:

"these measures were expected to produce a saving on imports of about R 80 million², equivalent to approximately 7 per cent of the country's total imports in 1960."

2. Further measures were introduced in May for the purpose of reducing imports. My Government's notification was circulated in document L/1502 of 7 June 1961. In advising the CONTRACTING PARTIES of the changes in the import restrictions my Government did not indicate whether it considered the measures taken as constituting a "substantial intensification" within the meaning of paragraph 4(a) of Article XII of the General Agreement. It was, however, convinced that it would not be the case. At the time the measures were contemplated, it was estimated that at most a saving of R 100 million could be achieved. Imports for 1960 amounted to R 1,111.54 million and the estimated saving is thus equivalent to just less than 9 per cent of the total imports.

3. Actual imports from January to the end of August 1961, totalled R 708.99 million as compared with the actual imports for the same period in 1960 of R 765.32 million. The imports over the eight months were thus R 56.33 million less in 1961 than in 1960. It is unlikely therefore that the total savings which the changes in import restrictions were estimated to effect, would in fact be attained.

¹Cf. C/M/8

²R = Rand (the new South African currency introduced on 14 February 1961, equivalent to $\frac{1}{2}$ South African pound).

4. The following statistical data although perhaps not strictly comparable may also be cited:

In 1960

Value of permits issued up to 31 August 1960	R 708.8 million
Imports of textiles <u>without</u> permits but are now subject to permit	<u>R 80.9 million</u>
	<u>R 789.7 million</u>

In 1961

Value of permits issued up to 31 August 1961	R 673.9 million
Imports of textiles up to 30 April 1961 (i.e. imports which came in without permit at the time but are now subject to permit)	<u>R 37.3 million</u>
	<u>R 711.2 million</u>

The difference is R 78.5 million.

5. The import control measures are being applied in a very flexible manner. There is as members of this Council know no discrimination against countries in the application. It is extremely difficult for my Government to estimate in advance with any degree of accuracy the total value of permits likely to be issued until the end of 1961 or the value of goods which will actually be imported during the rest of the year. It is generally expected, however, that circumstances will permit import authorizations for the rest of 1961 to continue on a level which would not reduce average monthly imports during the period September to December 1961 below the actual monthly average imports attained during the preceding four or five months of this year.

6. I understood from discussions with the representative of Sweden and from what he had just said, that Swedish exporters were perturbed about the list of goods referred to in sub-paragraph (V)(a) of paragraph 2 of document L/1502, i.e. certain consumer goods which are either luxuries or which are available in adequate supplies from domestic sources now liable to special import permits. The list as published in the Gazette enumerates the goods by tariff items. It is not to say that every article falling under the description is produced in sufficient quantity in South Africa. Importers know now in respect of which goods they have to be able to prove that supplies are not available or are not available in sufficient quantity in South Africa. This criterion is not new, it has always been applied in the past. Permits are being issued in respect of these goods.

7. Summarizing, I may say that
 - firstly, the intensification was not substantial;
 - secondly, the import restrictions are not applied discriminatorily;
 - thirdly, permits are and will be issued as favourably as circumstances permit.
8. Finally, if any country has any specific difficulty or problem relating to our import restrictions, my Government is always willing to receive details thereof and to consider such representations.