

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SOUTH AFRICAN IMPORT RESTRICTIONS

1963 Import Control Policy

The South African authorities have submitted for the information of the CONTRACTING PARTIES a copy of the press statement, regarding South Africa's import control policy for 1963, made by the Minister of Economic Affairs of South Africa on 7 November 1962.

1. In announcing his import control policy for 1963 today the Minister of Economic Affairs stated that in the light of the improved foreign exchange reserves as well as the favourable trend in our balance-of-payments position which has resulted mainly from the measures taken by the Government in 1961, he had come to the conclusion that further relaxations in import control were desirable. He stated he had also been influenced in this direction by the confidence which had been expressed widely, a confidence which he fully shared and endorsed that our economy was on the threshold of considerable expansion. This very fact, which, on the one hand, calls for some relaxations also necessitates a cautious approach because of the anticipated increase in the demand for producers' goods.

Raw materials, plant and equipment

2. Insofar as raw materials for manufacturers are concerned there is no necessity to issue an initial allocation for 1963. Manufacturers who import their own requirements of raw materials will be dealt with on a stock basis. They will receive on application import facilities to import supplies of raw materials, which are not available from local sources, to bring their stock up to a six-months level. This will enable manufacturers whose requirements of raw materials have long delivery periods to order their requirements in advance, but they should ensure that such orders are reasonable in relation to their present consumption and that they are in possession of valid import permits before the goods are shipped. This scheme has already been in operation for the past six months and is working satisfactorily.

3. Merchants who import raw materials for resale will be treated somewhat more liberally during the coming year and will be permitted to build up stocks reasonably. Insofar as plant and equipment are concerned, the initial issues for merchant importers will, as in the past, be limited to those items with an f.o.b. cost not exceeding R1,000. Special applications should be submitted for more expensive items.

4. Insofar as all imports of capital plant and equipment are concerned, due regard will be had to the availability of plant and equipment from local manufacturing sources.

5. In order to enable importers to plan their business it can be stated at this stage that it is the intention to increase the total allocations for 1963 to 110 per cent of the average imports during 1959 and 1960 in the case of Category A consumer goods and to 45 per cent of an importer's assessment basis in respect of Category B consumer goods. The 1962 issues were 100 per cent and 40 per cent respectively. The Minister had authorized initial allocations of 60 per cent and 30 per cent respectively.

The Restricted List is now being scrutinized with a view to modification and as an additional concession importers will also be able to convert their permits on the R1 for R1 basis for the importation of goods on the Restricted List for the first R5,000 of their permits as against the R3,000 which could be so converted during 1962.

6. The demand for motor-cars has also been rising during the past few months. It is consequently expected that retail sales will amount to about 42,000 units during the first six months of 1963 and provision is being made for sufficient permits to be issued on the basis of an agreed formula to enable this number of units to be available.

7. In view of the recent investigation undertaken by the Board of Trade and Industries into the tractor requirements of the country, it has been decided to place the importation of agricultural wheeled tractors of the same make as previously on a quota basis equal to 100 per cent of 1960 imports. The initial permits in this case will be equal to 50 per cent of 1960 imports. It must, however, be emphasized that this is a temporary measure pending a decision by the Government on the recommendations contained in the report of the Board of Trade and Industries.

8. Structural timber and fertilizers will be dealt with on a special basis because of the rapid increase in local availability of supplies.

9. With the successful completion of the switchover from sterling currency to decimal currency it is no longer necessary to take special steps regarding the importation of decimal machines and they will consequently now again be placed under quota.

10. In accordance with the above the following initial or "voorskot" import allocations will be made for 1963:

- (i) merchants importing raw materials excluding structural timber and fertilizers - 50 per cent of 1960 imports;
- (ii) merchants importing items of capital plant and equipment - 50 per cent of 1960 imports for stock;

- (iii) merchants importing textile piece-goods -
50 per cent of the average annual imports
during 1959 and 1960;
- (iv) merchants importing Group A consumer goods -
60 per cent of the average annual imports
during 1959 and 1960;
- (v) merchants importing Group B consumer goods -
an issue equal to 30 per cent of the importers'
assessment basis;
- (vi) merchants importing rice -
50 per cent of 1960 imports.