

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SOUTH AFRICAN IMPORT RESTRICTIONS

Liberalization Statement Issued on 18 March 1964

The South African Government has submitted for the information of contracting parties the following press statement issued by the Honourable Dr. N. Diederichs, Minister of Economic Affairs, on 18 March 1964.

The Minister of Economic Affairs today announced further relaxations of import control. He referred to his statement of 2 November 1963, when he had announced the initial 1964 import allocations and when he had stated that the programme of progressive relaxation of import control would be continued.

Dr. Diederichs said that although he did not consider that the time had come for the removal of import control, he was, however, satisfied that the time was opportune for further relaxations.

For some time past now industry has already been receiving its full requirements of both raw materials and capital equipment and the record level of our imports during 1963 of goods falling into these two categories bears testimony thereof, and the Director of Imports and Exports will continue to examine sympathetically all applications from bona fide industrialists who feel that they should hold more than six months' stock. With these measures, import control no longer hinders industry in obtaining its full requirements with the minimum amount of administrative inconvenience.

The motor industry which also in 1963 broke all records with the retail sales of both passenger and commercial vehicles, looks like improving on that level of sales during 1964 and Dr. Diederichs gave the assurance that there will be no shortage of vehicles of both kinds and that the present buyers' market will be maintained.

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In so far as consumer goods are concerned he had stated in November that the second issue of Group B permits to be made in April 1964 would bring up the level of these issues to the total of the three issues made during 1963. He has now authorized a second issue to bring the 1964 Group B permits to 10 per cent more than the 1963 issues.

In addition certain items have been removed from the restricted list and an amended restricted list will be published shortly.

Dr. Diederichs said that he proposed following a much more liberal policy in regard to Group A goods. He stated that except for cutlery, crockery, domestic sewing machines and pianos in respect of which permits will be issued to bring the 1964 issues for these goods up to 10 per cent more than the 1963 issues, permits would be issued freely for the goods in this list.

A further concession will be made to new firms. At present new retail businesses are granted initially R3,000 and new wholesale businesses R5,000 to enable them to start business. Dr. Diederichs stated that he had now decided to double these amounts and to permit issues of R6,000 for new retail businesses and R10,000 for new wholesale businesses.

The Minister expressed the view that with these concessions there should be no shortage of consumer goods and the public will have even a wider choice than they have had in the past.

In conclusion Dr. Diederichs stated that he wanted to repeat what he had said in the Senate recently about the tendency to increase prices unduly - a tendency which often occurs during a period of prosperity. He said that he considered it appropriate to again draw the attention of industrialists and merchants to the fact that his department was keeping a close watch on prices and that he would not hesitate to combat unjustified price increases by the two means at his disposal, namely a further relaxation of import control and the application of price control.

The additional permits will be issued as usual upon written application addressed to the Director of Imports and Exports, Private Bag 192, Pretoria.