

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.IND/W/55/Add.36
COM.AG/W/72/Add.36
28 September 1971

Limited Distribution

Committee on Trade in Industrial Products
Group 4 - Licensing

Original: English

REPLIES TO QUESTIONNAIRE ON LICENSING

Addendum

SOUTH AFRICA

Outline of systems

1. South Africa has two licensing systems. Under one system, permits are granted to meet the full reasonable requirements of bona fide merchants and manufacturers and, under the other system, quotas are determined from time to time by the Minister of Economic Affairs. Licences are issued upon written application by the importer. The Department of Commerce is the licensing authority.

Purposes and coverage of the licensing

2. The products for which licences are granted to meet full reasonable requirements are listed in Annex A of L/3212/Add.14 of 21 January 1970, while those for which quotas are determined from time to time appear in Annex B of that document, as amended by subsequent relaxations.

3. South Africa's import restrictions do not distinguish between sources of supply. Licences are valid for the importation of goods from any country, the choice of the country of supply being left entirely to the importer.

4. The licensing is intended to restrict the quantity and value of imports. Alternative methods of accomplishing the purposes and, in particular, increased import tariffs are under consideration. They have not yet been adopted largely because of the time factor - for example, the time which it takes to conclude Article XXVIII negotiations.

5. The restrictions are applied pursuant to the powers conferred on the Minister of Economic Affairs by section 2(1) of the Import and Export Control Act No. 45 of 1963. The licensing is not statutorily required, i.e. the legislation is permissive, not mandatory. The legislation leaves the designation of products to be subjected to licensing to administrative discretion. It is possible for the Government to abolish the system without legislative approval.

Procedures

6(a) The licensing regulations are published in the Government Gazette. Neither the overall amount nor the maximum amount allocated to each importer is published. Amounts are not allocated to goods from each country (see 3 above).

(b) Quotas are determined on a yearly basis, but licences are valid for a period of fifteen months, an overlapping period of three months being allowed to maintain continuity of supplies.

(c) In allocating quotas, no distinction is made between merchants and domestic manufacturers. No steps are taken to ensure that licences are actually used for imports. Unused allocations automatically lapse and are, accordingly, not added to quotas for a succeeding period. The names of importers to whom licences have been granted are not made known to governments or export promotion bodies, as such allocations are treated on a confidential basis in order to avoid unfair competition.

(d) When the opening of quotas is announced, no period of time is stipulated for the submission of applications for licences.

(e) The length of time for processing applications is dependent on the volume of work involved, but in general applications are dealt with immediately upon receipt.

(f) Licences are valid for immediate importation, and have a validity period of fifteen months as mentioned under (b) above.

(g) Licences are considered by the Department of Commerce. In the case of a limited range of agricultural products, consideration is also effected by the Department of Agricultural Economics and Marketing. In such cases, the importer must approach both Departments.

(h) Licences are equitably distributed on a basis of past import performance, and the amount allocated to each applicant is based on such performance in relation to turnover growth. New importers receive a "kick-off" allocation on the understanding that further allocations will be made, depending on growth. applications are not dealt with simultaneously, but on the merits of each individual case.

(i) The question is not relevant to South African practice. South Africa does not grant bilateral quotas and, on the few occasions when informal export restraint arrangements have been resorted to, these have been aimed at curbing the level of imports of particular goods which were possible under the existing licensing arrangements.

(j) There are no cases where imports are allowed on the basis of export permits only.

(k) There are no products for which licences are issued on condition that they are exported.

7. Not applicable.

8. No applications for licences meeting the ordinary criteria are refused.

9. All persons, firms and institutions are eligible to apply for licences.

10. Application forms are required for capital goods and raw materials (see attached sample forms¹). Otherwise no forms are prescribed, but the following information is required:

Reference number
Name and address of applicant
Description of goods
Value of goods
Value of actual imports during previous year
Turnover at cost during previous year

11. Normal customs documents and, where applicable, an import permit are required upon actual importation.

12. There are no licensing fees or administrative charges.

13. There are no deposits or advance payment requirements associated with the issue of licences.

14. All licences are valid until 31 March of the year following that in which they are issued. Normally the validity of a licence is not extended, but exceptions are made in those cases where shipment could not be made as a result of factors beyond the control of the importer.

15. There is no penalty for the non-use of a licence or a portion of a licence.

16. Licences are not transferable between importers.

17. No other conditions are attached to the issue of a licence.

18. There are no other administrative procedures required prior to importation.

19. Foreign exchange is automatically provided by the banking authorities provided that an import licence is produced or evidence furnished that an import licence is not necessary. Foreign exchange is always available to cover licences issued. The formalities to be fulfilled for obtaining foreign exchange comprise the completion of an application form at a commercial bank.

¹These forms, which are not reproduced in this document, are available for consultation in the secretariat.