

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SOUTH AFRICAN IMPORT RESTRICTIONS

Statement of 2 March 1954

The Government of the Union of South Africa has transmitted for the information of the contracting parties the following statement by the Minister of Economic Affairs:

"The balance of payments situation has been reviewed recently and I am now, in answer to the Honourable Member's question, able to give further information in regard to 1954 import quotas.

"In my address to the Annual Congress of the Association of Chambers of Commerce at Port Elizabeth last October, I indicated that, due to the continuing heavy demands for essential transport, electric power, water supply and defence equipment, it was expected that during 1954, we would be faced with a difficult position. This position has, however, since then been somewhat alleviated by the favourable agricultural season, which should result in South Africa being able to earn not inconsiderable additional foreign exchange by the export of products such as maize and sugar.

"All factors taken into consideration, it therefore appears that it will be possible for import control to maintain industrial and commercial activity at the same general level as last year. A measure of redistribution of import quotas is, however, contemplated.

"In respect of the raw materials, consumable stores and maintenance spares required by manufacturing industry, a notice will appear in the Government Gazette at an early date, which will provide for an automatic increase of 50 per cent in the value of most of the preliminary or "voorskot" allocations which have already been made. Allocations not included in the Gazette Notice will be dealt with administratively.

"The allocations which I have mentioned, will be the final automatic issues for the year, but importers of these materials, whose requirements have not been satisfied will be invited by notice in the Gazette, to submit applications for further allocations, which will then be dealt with on their merits. As I have said previously, a measure of redistribution of quotas will be necessary, but it is anticipated that sufficient raw materials will be imported, to enable the more essential industries to maintain last year's level of production, provided they continue to make the fullest use of locally obtainable materials.

"An automatic increase of 50 per cent in the "voorskot" allocations for agricultural implements, machinery and spares will also be gazetted, and thereafter, further individual allocations will be made whereby supplies will be maintained at the same general level as in 1953.

"In regard to machinery required for industry, further quotas will be made available for the importation of machines of a unit value of under £1,000; these will be made available by way of Letters of Authority.

"In the case of machines of a unit value of over £1,000, the present "end-use" method of control will be continued, and preference on a more liberal basis than heretofore, will be given to machinery required for replacement and modernisation, as well as for labour saving.

"So far as consumer goods are concerned, it is felt that the time has arrived for a partial redistribution of quotas, in order to make more adequate provision for non-luxury goods which the public require, and which were either imported in relatively small quantities in 1948, or in respect of which no substantial increase of local production has taken place since then.

"I propose to make available for the importation of consumer goods, approximately the same amount of currency as in 1953, but in order to effect the desired redistribution of quotas, the total ordinary permit issue for this year will be 40 per cent of the value of 1948 imports, as compared with 45 per cent during 1953. As 25 per cent has already been issued for this year by way of a "voorskot", a further 15 per cent will be made available, for which permits will shortly be issued to importers.

"The foreign currency saved by this reduction from 45 per cent to 40 per cent in the value of ordinary permits for consumer goods, will be made available for redistribution, in order to make greater provision for the goods to which I have referred. With this object in view, organised commerce will be requested to recommend to the Director of Imports and Exports, further items for inclusion in the so-called "Priorities List". As already indicated, the types of goods I have in mind for this purpose, are those which constitute the daily needs of the public, which are not produced in any substantial quantities in South Africa, and in regard to which commerce may be finding it difficult to meet the requirements of the public.

"Importers of the goods for which the "Priorities List" makes provision, will be permitted, as in the past, to convert portions of their quotas, at a rate of £2 for £1 surrendered, into permits valid for such goods.

"I would like to conclude with a brief reference to future prospects. South Africa has been involved for some years, and is still involved, in a heavy investment programme - by far the greatest proportion of which has been, and is, basically sound. At an increasing rate, the country is reaping the benefits of these investments in the form of considerably increased production. As a result of this, and of the successful anti-inflationary policy of the Government, there are now definite signs that in the not distant future, it should be possible substantially to relax, and later to remove import control. It is hardly necessary for me to qualify this statement by saying that such action will, of course, be dependent on an absence of unforeseen developments, and particularly on the continuation of reasonable stability in international economic conditions."