

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SOUTH AFRICAN IMPORT RESTRICTIONS

Statement on Further Relaxation of Restrictions

The following note has been transmitted, by letter dated 16 July 1954, by the Government of the Union of South Africa for information of contracting parties. An earlier statement was issued in L/190.

In a statement issued on 3 July 1954 the Minister of Economic Affairs, Mr. Eric Louw, announced a 5 per cent increase of consumer goods quotas for this year, and also other relaxations of import control.

"When I announced the second round of import quotas for 1954", Mr. Louw said, "I stated that import control would gradually be relaxed as and when the exchange position improved. There has been a measure of improvement recently and I am glad to implement my promise by increasing certain import quotas. A fair proportion of the recent improvement in the reserves of gold and foreign exchange was undoubtedly due to non-repetitive and in some cases reversible factors, but even after allowing for such factors, South Africa's balance-of-payments position is showing a very healthy tendency."

Mr. Louw said that he had accordingly decided to grant further relief to the motor trade, and permits were being prepared to allow for an increased importation of spare parts. Furthermore, additional quotas would, at an early date, be granted to the motor assembly industry for the importation of motor trucks and commercial vehicles. "I fully appreciate", said Mr. Louw, "that there is a shortage of passenger vehicles, but the more urgent requirements of farmers, as well as of commerce and industry, must first be met".

"Additional allocations will also be made for the importation of farm tractors and certain other farm machinery, which will be valid also for spare parts. As there does not appear to be a serious overall shortage of tractors, this additional allocation will enable farmers to be more selective in their purchases.

"As far as consumer goods are concerned, the additions to the so-called Priorities List will be continued. Furthermore, I have decided to increase the ordinary quotas by 5 per cent on the basis of the 1948 imports. Permits

are being prepared accordingly. To the extent that importers of consumer goods qualify for additional quotas in respect of goods on the Priorities List, they will now be in a better position than during the past two years.

"These relaxations", Mr. Louw concluded, "are in addition to those already announced in respect of special permits for industrial machinery required for replacement, modernization and for labour saving, which have been liberally granted during the past few months".