

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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SOUTH AFRICAN IMPORT RESTRICTIONS

The Government of South Africa has submitted the following press statement issued by Dr. Diederichs, Minister of Economic Affairs, on 13 July 1966.¹

The Minister of Economic Affairs today announced concessions which he had decided to grant to importers as part of the anti-inflationary measures and which would be complementary to the anti-inflationary measures already announced by the Minister of Finance.

Dr. Diederichs stated that the steps which he had taken in August 1965 to halt the downward trend in the country's reserves of foreign exchange had proved effective. The reserves had shown a marked improvement and had now reached a level which would allow him to take the action now planned.

Raw materials

The allocations granted to manufacturers for the importation of those items of raw materials not obtainable from local manufacturing sources were presently based on four months current consumption.

From now on stated Dr. Diederichs such allocations would be based on six months current consumption and he hoped in view of conditions overseas that all industrialists would now take full advantage of this concession and build up their stocks of imported raw materials to a healthy level.

In addition to this concession to manufacturers Dr. Diederichs stated that merchant importers of raw materials would receive an additional 25 per cent allocation which would have the effect of bringing their allocations up to 100 per cent of their 1964 imports.

The allocations granted to importers of pharmaceutical and medical requirements would also be based on 100 per cent of 1964 importations.

¹For earlier 1966 announcements of allocations granted to importers, see L/2524 and L/2656 and Add.1.

Capital equipment

The Minister stated that although applications would continue to be reviewed on an end user basis there would be a measure of relaxation in the rather rigid control which had been exercised since last year on the importation of new plant and equipment. Dr. Diederichs stated that he wished to thank those industrialists who had been so patient during the past months regarding their requirements of imported plant and equipment and he appreciated their co-operation in this matter with his department.

Consumer goods

Dr. Diederichs stated it was normal to make a third issue of permits for the importation of general merchandise at this time of the year.

In respect of Group B goods the Minister announced a further allocation bringing the total allocation for the year up to 55 per cent of an importer's assessment basis. This would bring the total for 1966 up to the level of the allocations granted for 1965.

In respect of those other consumer goods which do not fall within the B Group Category the Minister stated a further allocation of 25 per cent would be made which would bring the allocation for these goods up to 100 per cent of 1964 imports.

This would have the effect, said Dr. Diederichs, of ensuring that the public had an adequate choice of goods when doing their Christmas shopping.

