

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

### SOUTH AFRICA

The following notification has been received from the delegation of South Africa in response to the questionnaire annexed to document L/5640/Rev.1. The present document replaces information previously contained in documents COM.IND/W/55-COM.AG/W/72/Add.36/Rev.1 and corrigenda.

#### Outline of systems

1. South Africa has one licensing system. Under this system permits are granted to meet the requirements of bona fide merchants and manufacturers. Licences are issued upon written application by the prospective importer. The Department of Trade and Industry is the licensing authority.

#### Purpose and coverage of the licensing

2. The categories of goods for which general licences are granted are listed in Annexure A while those commodities for which a specific licence is required appear in Annexure B.
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. In its present form the licensing system is intended mainly to monitor imports of certain sensitive commodities but in most cases import licences are granted to meet all reasonable requirements. Alternative measures are not being considered since the present mechanism will have to be maintained as a contingency measure to meet any future eventuality.
5. The restrictions are applied pursuant to the powers conferred on the Minister of Trade and Industry by section 2(1) of the Import and Export Control Act 1963 (Act 45 of 1960). 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.
- (b) Not applicable in South Africa.
- (c) Not applicable. See paragraphs 4 and 6(a).
- (d) Not applicable.
- (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. The period of validity of a licence extends from the date of issue until the end of the calendar year during which it was issued. Further, licences may be used for Customs clearance of goods ordered up to 31 December of that year and shipped until 31 March of the following year.
- (g) Applications for licences are considered by the Department of Trade and Industry. In the case of a limited range of agricultural products, applications are also considered by the Department of Agriculture. In such cases, the importer must approach both Departments.
- (h) Licences are made available on the basis of an importer's past import performance, and the amount allocated to each applicant is based on such performance in relation to turnover growth. New importers receive an initial import allocation on the understanding that further allocations will be made available for stock replenishment purposes. Applications are not dealt with on an arbitrary or formula basis 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 were aimed at curbing the permissible level of import of particular goods under then 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, raw materials and manufactured goods (see attached sample forms<sup>1</sup>). Otherwise no forms are prescribed, but the following information is required:
- Importer's reference number
  - Name and business address of applicant
  - Quantity and description of goods to be imported
  - Value of goods subject to import permit
  - Replacement value of actual imports during previous year
  - Turnover at cost of sales 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.

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

14. A licence is valid for the calendar year during which it is issued, but may be used for Customs clearance of goods ordered up to 31 December of that year and shipped until 31 March of the following year. The validity of a licence cannot be extended.
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.

GOODS FOR WHICH PERMITS ARE GRANTED TO MEET THE REQUIREMENTS OF BONA FIDE MERCHANTS AND MANUFACTURERS

- (i) Raw materials, components, consumable spares, other than those specified in Annexure B of this notice;
- (ii) plant, machinery, equipment and spares therefor, other than those specified in Annexure B;
- (iii) agricultural and horticultural machinery, and spares therefor;
- (iv) ships, boats and all other types of vessels, and spares therefor;
- (v) pharmaceutical products and requisites in the finished form, other than those specified in Annexure B;
- (vi) fungicides, pesticides and insecticides in the finished form;
- (vii) textile piece goods imported by merchants, other than those specified in Annexure B;
- (viii) paper and board imported by merchants;
- (ix) footwear;
- (x) carpets, carpeting, rugs, mats, matting, linoleum and other materials for covering floors, wall hangings (not textile) and tapestries;
- (xi) tyres and inner tubes;
- (xii) travelling rugs and blankets, bed linen, toilet linen, kitchen linen, curtains, bedspreads, canvas goods and other made up textile articles;
- (xiii) clothing accessories;

- (xiv) radio receivers, motor vehicle radio receivers, hi-fi equipment, sound recorders and reproducers including record players, tape decks, pianos and organs;
- (xv) walnuts;
- (xvi) coffee, not roasted;
- (xvii) cherries, drained or glacé;
- (xviii) consumer goods not elsewhere enumerated.

ANNEXURE B

GOODS FOR WHICH A SPECIFIC PERMIT IS REQUIRED

- (i) Dolphins
- (ii) Fish fresh, frozen, salted, in brine or dried and lobster
- (iii) Tung oil and oiticica oil
- (iv) Paste, pulp, purée, extract or concentrate of tomato
- (v) Wines, all types including champagne, liqueurs, cordials, mixed potable spirits and other potable spirits containing more than 3 per cent of proof spirits, malt liquors and whisky
- (vi) Mercury
- (vii) Unwrought gold in the form of bars, ingots, buttons, wire, plate, granules or in solution or in any other form whatsoever
- (viii) Gold and any alloy of gold which is used for dental purposes
- (ix) Fertilisers
- (x) Propellent powders
- (xi) Polystyrene
- (xii) Ethylene polymers and copolymers in liquid, paste, blocks, lumps, powders and similar bulk forms
- (xiii) Vinyl chloride polymers and copolymers in liquid, paste, blocks, lumps, powders and similar bulk forms
- (xiv) Propylene polymers and copolymers in liquid, paste, blocks, lumps, powders and similar bulk forms

- (xv) Jute bags (lined or unlined) and bags made from plastic or other material, of a kind used for the packing of goods
- (xvi) All clothing (including infants' napkins), excluding second-hand overcoats, infants' knitted outerwear with a chest measurement not exceeding 50,8 cm, infants' nightwear not exceeding 68,6 cm in length, infants' petticoats not exceeding 45,7 cm in length, bibs and feeders
- (xvii) Natural rubber
- (xviii) Rubber latex
- (xix) Synthetic rubber
- (xx) Latex camelback
- (xxi) Basketwork and wickerwork, excluding ladies' handbags and children's handbags made of rattan or similar materials
- (xxii) Postage stamps
- (xxiii) Jute fibre, jute bagging and sacking and hessian
- (xxiv) Sisal, raw or processed, and twine, rope and cordage produced from sisal.
- (xxv) Any article or substance consisting of gold or containing gold which, although manufactured, is not as such an article of commerce
- (xxvi) Coins
- (xxvii) Galvanised sheet steel in corrugated, flat, coil or strip form and cold rolled steel, in sheet, coil or strip form, but excluding stainless steel



(xxviii) Steam boilers and boiler tubes

(xxvix) Secondhand built-up passenger motor vehicles in S.U.P. form

(xxx) Coin-operated sound reproduction machines (juke boxes), pin tables  
novelty tables, coin-operated machines and amusement machines

(xxxi) Firearms and ammunition.