

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 on import licensing annexed to document L/5640/Rev.1. The present document replaces information appearing in document L/5640/Add.17 of 6 June 1985.

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.

Purposes and coverage of the licensing

2. The goods still subject to import control and for which licences are granted are listed in Government Gazette No. 9764 of 30 May 1985.¹
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.

¹A copy of Government Gazette No. 9764 is available for consultation in the secretariat (Room 1059).

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 goods, applications are also considered by the Departments of Agriculture or Health and Environment Affairs. In such cases, the importer must approach two 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) Yes. Semi-finished garments for the export market.
7. (a) Applications must be made before goods are shipped from overseas.
(b) Yes.
(c) No.
(d) See paragraph 6(g).
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. 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 to be imported.

Estimated stocks on hand.

Monthly turnover figures.

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. 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.